IBRD Policy

Waiver on Loans for FY20

Bank Access to Information Policy Designation
Public

Catalogue Number
SEC7.02-POL.133

Issued
July 8, 2019

Effective
July 1, 2019

Content
This Policy sets forth the waivers on IBRD loans for payments periods commencing in Fiscal Year 2020.

Applicable to
IBRD

Issuer
Board of Directors, IBRD

Sponsor
Vice President, DFIVP
SECTION I – PURPOSE AND APPLICATION

1. This Policy sets forth commitment charge waivers and interest charge waivers applicable for Fiscal Year 2020 on IBRD loans that were signed before May 16, 2007 or were signed between May 16, 2007 and September 27, 2007 on which the borrowers elected not to convert the terms of their loans to the terms for new loans introduced on September 27, 2007.

2. This Policy applies to IBRD.

SECTION II – DEFINITIONS

The capitalized terms or acronyms used in this Policy have the meanings set forth below:

1. “Board”: the Executive Directors of IBRD.

2. “Borrower”: the borrower of an IBRD loan.

3. “bps”: basis points, with one basis point representing one hundredth of one percentage point.

4. “Eligible Borrower”: a borrower who has made full payments of principal, interest and other charges on all its loans, and has paid all amounts under IBRD guarantees and hedging products within thirty (30) calendar days of the due dates during the preceding six (6) months.

5. “FY20”: the twelve (12) month period which commences on July 1, 2019 and ends on June 30, 2020.


SECTION III – SCOPE

1. The following waivers are applicable for all payments periods commencing in FY20:

   i) 50 bps of the contractual commitment charge for all payment periods commencing in FY20 are waived unconditionally for all Borrowers with respect to eligible loans that were signed before May 16, 2007 or were signed between May 16, 2007 and September 27, 2007 on which the Borrowers elected not to convert the terms of their loans to the terms for new loans introduced on September 27, 2007;

   ii) 25 bps of interest for all payment periods commencing in FY20 are waived for all Eligible Borrowers with respect to eligible loans for which the invitation to negotiate was issued on or after July 31, 1998 and that were signed before May 16, 2007 or were signed between May 16, 2007 and September 27, 2007 on which the Borrowers elected not to convert the terms of their loans to the terms for new loans introduced on September 27, 2007; and
iii) 5 bps of interest for all payment periods commencing in FY20 are waived for all Eligible Borrowers with respect to eligible loans for which the invitation to negotiate was issued before July 31, 1998, provided that, pursuant to the December 1994 decision of the Executive Directors, such waiver with respect to VLR82 loans will be adjusted if the VLR82 rate is below the VLR89 rate so as to equalize the two lending rates.

SECTION IV – EXCEPTION

N/A

SECTION V – WAIVER

Any waivers of a provision of this Policy are approved by the World Bank Chief Executive Officer, with the concurrence of the Managing Director and Chief Financial Officer, pursuant to the applicable provisions of the Bank Procedure on “Operational Policy Waivers and Waivers of Operational Requirements”, dated April 7, 2014 (as revised on July 1, 2014), Catalogue Number OPCS5.06-PRO.01.

SECTION VI – OTHER PROVISIONS

N/A

SECTION VII – TEMPORARY PROVISIONS

Any commitment charge waivers and interest charge waivers are only applicable for payments periods commencing in FY20.

SECTION VIII – EFFECTIVE DATE

This Policy is effective as of the date on its cover.

SECTION IX – ISSUER

The Issuer of this Policy is the Board of Executive Directors, IBRD.

SECTION X – SPONSOR

The Sponsor of this Policy is the Vice President, Development Finance.

SECTION XI – RELATED DOCUMENTS


Questions regarding this Policy should be addressed to the Sponsor.