AMENDMENTS TO THE CENTRAL BANK OF SRI LANKA ACT DIRECTIONS NO 01 OF 2026 ON LOAN TO VALUE RATIOS FOR CREDIT FACILITIES GRANTED IN RESPECT OF MOTOR VEHICLES

The Central Bank of Sri Lanka Act Directions No. 01 of 2026 on Loan to Value Ratios for Credit Facilities Granted in respect of Motor Vehicles are hereby amended by repealing Directions 4.3 and 4.4 and substituting therefor, of the following, with effect from 10.11.2026.

4. Interpretations

4.3 For the purpose of these Directions, the value of the vehicle shall be the market value. Licensed banks, Licensed Finance Companies (LFCs) and Registered Finance Leasing Establishments (RFLEs) shall use the following in determining the market value of vehicles:

(i) Unregistered Vehicles:

(a) Brand new vehicles – The value of a brand new vehicle shall be the final price payable as stated in the tax invoice provided by the authorised agent.

(b) Reconditioned vehicles – The value of a reconditioned vehicle shall be the final price payable as stated in the tax invoice provided by the dealer or the value considered at the time of Customs clearance, as the case may be.

(ii) Registered vehicles: Valuation provided by a professional valuer.

4.4 Licensed banks, LFCs and RFLEs shall ensure that the valuation obtained at the time of granting credit facilities provides a true and fair value and such valuation shall not exceed materially compared to the previous valuations considered for similar vehicle type and class within a reasonable period preceding the transaction.

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