

**INTERPRETATIONS FOR CIRCULAR NO. 07 OF 2019 ON
CONCESSIONS GRANTED TO TOURISM INDUSTRY**

The following interpretations are issued in relation the Circular No. 07 of 2019 dated 08 May 2019 on Concessions Granted to Tourism Industry.

1. Registration

- (i) Persons and entities providing services to tourism sector and have not registered with any of the Institutions referred in Explanatory Note No. 01 of 2019, shall now be required to register with the Sri Lanka Tourism Development Authority, in order to avail the moratorium.

2. Granting of moratorium

- (i) The moratorium shall be granted for any performing credit facilities (both capital and interest) as at 18.04.2019 of eligible individuals or entities (herein after referred to as eligible borrowers). However, if such eligible borrowers wish to avail the moratorium only for capital or interest, licensed bank may grant such moratorium for such eligible borrowers, as requested.
- (ii) Licensed banks may convert the capital or interest or both, as the case may be, falling due during the moratorium period into a new credit facility or extend the maturity of the original credit facility by the moratorium period with the consent of the eligible borrower.
- (iii) Licensed banks may grant the moratorium for a lesser period, if the eligible borrower wishes to avail the moratorium for a period less than the period stipulated in Circular No. 07 of 2019 dated 08 May 2019 on Concessions Granted to Tourism Industry. However, the repayment of capital, interest or both falling dues during the moratorium period shall commence after three months from the end of the applicable moratorium period.
- (iv) In the event, capital, interest or both falling due during the moratorium period are converted to a new facility, licensed banks may charge a concessionary rate of interest not exceeding the latest auction rate for 364-days Treasury Bill, at the end of the moratorium period, plus 1.00 per cent per annum, for a repayment period not exceeding two years. The licensed bank and the borrower shall agree on the interest rate, if the repayment period exceeds two years.

- (v) With regard to provision of working capital facilities, licensed banks shall comply with the Guidelines issued by the Department of Development Finance, Ministry of Finance.
- (vi) Licensed banks shall report the details of concessions granted to eligible borrowers on a cumulative basis for the week ending on each Friday by Wednesday of the following week, as per the revised format at Annex I.
