



**MONETARY BOARD
CENTRAL BANK OF SRI LANKA**

23 August 2018

BANKING ACT DIRECTIONS

No. 05 of 2018

**AMENDMENTS TO DIRECTIONS ON LOAN TO VALUE RATIOS FOR
CREDIT FACILITIES GRANTED IN RESPECT OF MOTOR VEHICLES**

Banking Act Directions No. 3 of 2018 on Loan to Value ratios for credit facilities granted in respect of motor vehicles are amended by replacing the following Directions.

3. Exemptions from LTV ratio
- 3.1 The limits in Direction 2 above shall not be applicable to credit facilities granted:
- (i) to any company engaged in tourism and/or transportation for purchase of vehicle fleets to be utilized for their core business operations, provided that such vehicles financed shall not be transferred to any person or entity within one year from the date of the first registration;
 - (ii) for procurement of vehicles for Government Agencies under the finance leasing method specified by the Ministry of Finance and Mass Media; and
 - (iii) for credit facilities granted for purchase of motorcycles by field officers in the public service and teachers servicing in difficult areas under the proposed concessionary leasing facility provided by the Government.
- 3.2 Licensed banks shall have internal limits and adopt adequate risk management procedures in granting such credit facilities.

Dr. Indrajit Coomaraswamy
*Chairman of the Monetary Board and
Governor of the Central Bank of Sri Lanka*