



**MONETARY BOARD**  
**CENTRAL BANK OF SRI LANKA**

04 June 2019

FINANCE BUSINESS ACT DIRECTIONS

No. 2 of 2019

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

Issued under Section 12 of the Finance Business Act, No.42 of 2011.

The Central Bank of Sri Lanka issues Directions as follows for implementation of loan to value ratios in respect of credit facilities granted by Licensed Finance Companies (LFCs), for the purpose of purchase or utilisation of motor vehicles.

1. The following will replace Directions 2.1 of the Finance Business Act Directions No. 02 of 2018 on Loan to Value Ratios for Credit Facilities Granted in respect of Motor Vehicles.

(i) Credit facilities granted by LFCs for the purpose of purchase or utilisation of motor vehicles shall not exceed the following percentages of the market value of such vehicles until further notice.

(a) In respect of unregistered vehicles and registered vehicles which have been used in Sri Lanka for less than one year after the first registration;

**Table 1 – Loan to Value Ratio**

<b>Vehicle Category</b>	<b>Vehicle Class of Department of Motor Traffic</b>	<b>Electric Vehicles</b>	<b>Other</b>
Commercial vehicles	C1, C, CE, D1, D, DE, G1, G, J	90%	90%
Motor Cars, SUVs and Vans	B (other than light trucks & single cabs)	90%	50%
Three wheelers	B1	90%	25%
Light trucks	B	90%	90%
Any other vehicle	A1, A and single cabs categorized under B	90%	70%
Hybrid Motor Cars, Vans and SUVs	B (other than light trucks & single cabs)	50%	

(b) 70 per cent in respect of registered vehicles which have been used in Sri Lanka for more than one year after the first registration.



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2. Loan to Value Ratio for credit facilities granted for importation or purchase of motor vehicles under permits on concessionary terms shall be computed based on the proforma invoice value, instead of the market value of the motor vehicle.
  
3. The Finance Business Act Directions No. 09 of 2018 dated 01.10.2018 on Measures to Curtail imports of Motor Vehicles is withdrawn with effect from the date of this Directions.

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