



**MONETARY BOARD  
CENTRAL BANK OF SRI LANKA**

18 October 2019

**FINANCE BUSINESS ACT DIRECTIONS**

No. 03 of 2019

**AMENDMENTS TO THE MAXIMUM INTEREST RATES ON DEPOSITS AND DEBT  
INSTRUMENTS**

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

The Monetary Board hereby issues Direction on maximum interest rates to be paid in respect of deposits and debt instruments of Licensed Finance Companies (LFCs).

1. The following will replace Direction 1.1.(i) and Direction 1.2 of the Finance Business Act Direction No.01 of 2019 on Maximum Interest Rates on Deposits and Debt Instruments of LFCs.

1.1. The maximum interest rates that may be offered or paid by an LFC on Sri Lanka Rupee (LKR) deposits shall;

(i) Not exceed the interest rates derived in accordance with Table 01 below;

**Table 01**

**Maximum Interest Rates at Maturity for deposits of LFCs**

<b>Tenure of Deposit</b>	<b>Maximum Interest Rate Per annum</b>
Savings and other deposits of a tenure of less than 01 month or maturity is not specified	SDFR
<b>Term Deposits</b>	
01 month and less than 03 months	T-bill rate + 0.50%
03 months and less than 06 months	T-bill rate + 1.00%
06 months and less than 01 year	T-bill rate + 1.50%
01 year and less than 02 years	T-bill rate + 3.25%
02 years and less than 03 years	T-bill rate + 4.00%
03 years and less than 05 years	T-bill rate + 4.50%
05 years	T-bill rate + 5.00%



**MONETARY BOARD  
CENTRAL BANK OF SRI LANKA**

18 October 2019

**FINANCE BUSINESS ACT DIRECTIONS**

**No. 03 of 2019**

1.2. The maximum interest rates that may be offered or paid by an LFC on debt instruments shall not exceed the rates derived in accordance with Table 02 below;

**Table 02**

**Maximum Interest Rates at Maturity for debt instruments of LFCs**

<b>Tenure of debt instruments</b>	<b>Maximum Interest Rate</b>
Less than 01 year	T-bill rate + 1.50%
01 year and less than 02 years	T-bill rate + 3.25%
02 years and less than 03 years	T-bill rate + 4.00%
03 years and less than 05 years	T-bill rate + 5.00%
05 years	T-bill rate + 5.50%

  
**S R Attygalle**

*Actg. Senior Deputy Governor / Chief Executive Officer  
of the Central Bank of Sri Lanka*