



**MONETARY BOARD  
CENTRAL BANK OF SRI LANKA**

07 June 2018

**FINANCE BUSINESS ACT DIRECTIONS**

**No. 05 of 2018**

**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.

Finance Business Act Directions No. 2 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; and
  - (ii) for procurement of vehicles for Government Agencies under the finance leasing method.
- 3.2 LFCs 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*