



**CENTRAL BANK OF SRI LANKA**

**01 October 2018**

**FINANCE LEASING ACT DIRECTIONS**

**No. 07 of 2018**

**MEASURES TO CURTAIL IMPORT OF MOTOR VEHICLES**

Issued under section 34 of the Finance Leasing Act, No. 56 of 2000.

The Central Bank of Sri Lanka with a view to curtailing imports and the resultant adverse impact on the exchange rate requires specialized leasing companies to adopt the following measures with effect from 01 October 2018.

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

Credit facilities granted by every specialized leasing company 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.

- (i) 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**

Vehicle Category	Vehicle Class of Department of Motor Traffic	Electric Vehicles	Other
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%
Any other vehicle	A1, A, light trucks & single cabs categorized under B	90%	70%
Hybrid Motor Cars, Vans and SUVs	B (other than light trucks & single cabs)	50%	

- (ii) 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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