



CENTRAL BANK OF SRI LANKA

24 August 2018

FINANCE LEASING ACT DIRECTIONS

No. 06 of 2018

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

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

Finance Leasing Act Directions No. 5 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 SLCs shall have internal limits and adopt adequate risk management procedures in granting such credit facilities.

A handwritten signature in blue ink, appearing to be 'W. Ranaweera'.

W. Ranaweera
*Director, Department of Supervision
of Non-Bank Financial Institutions, Central Bank of Sri Lanka*