

18 July 2019

**INTERPRETATIONS FOR CIRCULAR NO. 01 OF 2019 ON CONCESSIONS
GRANTED TO TOURISM INDUSTRY**

The following interpretations are issued in relation the Circular No.01 of 2019 dated 21 May 2019 on Concessions Granted to Tourism Industry.

1. Registration

- (i) Persons and entities providing services to tourism sector and have not been registered with any of the Institutions referred in Annex I of the Circular No.01 of 2019, shall now be required to register with the Sri Lanka Tourism Development Authority, in order to avail the moratorium.

2. Granting of moratorium

- (i) The moratorium shall be granted for any performing credit facilities (both capital and interest) as at 18.04.2019 of eligible individuals or entities (herein after referred to as eligible borrowers). However, if such eligible borrowers wish to avail the moratorium only for capital or interest, Licensed Finance Companies (LFC) Specialized Leasing Companies (SLC) may grant such moratorium for such eligible borrowers, as requested.
- (ii) LFC/SLC may convert the capital or interest or both, as the case may be, falling due during the moratorium period into a new credit facility or extend the maturity of the original credit facility by the moratorium period with the consent of the eligible borrower.
- (iii) LFC/SLC may grant the moratorium for a lesser period, if the eligible borrower wishes to avail the moratorium for a period less than the period stipulated in Circular No. 01 of 2019 dated 21 May 2019 on concessions Granted to Tourism Industry. However, the repayment of capital, interest or both falling due during the moratorium period shall commence after three months from the end of the applicable moratorium period.

- (iv) In the event, capital, interest or both falling due during the moratorium period are converted into a new facility, LFC/SLC may charge a concessionary rate of interest not exceeding the latest auction rate for 364 days Treasury Bill, at the end of the moratorium period, plus 2.50 per cent per annum, for a repayment period not exceeding two years. LFC/SLC and the borrower shall agree on the interest rate, if the repayment period exceeds two years.
- (v) LFC/SLC shall report the details of concessions granted to eligible borrowers and denied borrowers on a cumulative basis for the week ending on each Friday by Wednesday of the following week as per the revised format at Annex I & II.

