



**MONETARY BOARD
CENTRAL BANK OF SRI LANKA**

11 March 2022

MONETARY LAW ACT ORDER

No. 01 of 2022

**AMENDMENT TO THE MAXIMUM INTEREST RATES ON LENDING PRODUCTS
OF LICENSED BANKS**

Issued under Section 104(1)(b) of the Monetary Law Act, No. 58 of 1949, as amended.

The Central Bank of Sri Lanka has adopted monetary policy tightening measures in the recent past including an increase of policy interest rates to dampen the possible build-up of underlying demand pressures in the economy, which would, in turn, help ease pressures in the external sector, thus promoting greater macroeconomic stability. Consequently, considering the increase in overall market interest rates, the Monetary Board hereby issues an amendment to the Monetary Law Act Order No. 02 of 2020 on the Maximum Interest Rates on Lending Products of Licensed Banks.

Accordingly, Order 2.1 of the Cited Order is replaced as follows and Order 2.2 is deleted.

- 2. Interest Rates on LKR denominated loans and advances**
- 2.1 Commencing 14 March 2022, the maximum interest rates that shall be charged by licensed commercial banks and licensed specialised banks for the credit card advances, pre-arranged temporary overdrafts and pawning advances are given below:
- (i) 20 per cent per annum on credit card advances commencing from the next billing cycle.
 - (ii) 18 per cent per annum on pre-arranged temporary overdrafts.
 - (iii) 12 per cent per annum on the money lent for pawning advances collateralised by personal articles made of gold accepted as a pledge, for all new pawning advances and existing pawning facilities that are renewed.

Nivard Ajith Leslie Cabraal
*Chairman of the Monetary Board and
Governor of the Central Bank of Sri Lanka*