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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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உள்ளநாட்டுத் தொழிற்பாடுகள்  
திணைக்களம்

Domestic Operations  
Department

18 June 2020

Operating Instructions No: 35/03/023/0001/001

To: All Licensed Commercial Banks (LCBs)

Liquidity Facility to the Construction Sector upon Promissory Notes/Guarantees Issued by the Government

1. Introduction

- 1.1 Having identified the national importance of reviving the construction sector that was adversely affected by the COVID-19 outbreak, under the instructions of the Government of Sri Lanka, the Monetary Board of the Central Bank of Sri Lanka (CBSL) has introduced a series of relief measures to the financial sector.
- 1.2 Accordingly, the CBSL wishes to provide urgent liquidity facilities to Licensed Commercial Banks (LCBs) for a period of up to 180 days upon receipt of a promissory note from such LCB at a concessionary rate as determined by the Monetary Board.
- 1.3 The intention of this Operating Instruction (OI) is to enable LCBs to provide loan facilities to the construction sector that was adversely affected by the COVID-19 outbreak against a promissory note/guarantee issued by the Government.
- 1.4 This facility is expected to serve as a liquidity support to address liquidity demand arising due to funding needs of the construction sector enterprises equivalent to the amount due on account of contracts carried out in the past.

2. Main Features of the Facility

- 2.1 This Operating Instruction will be effective from 18 June 2020 until further notice.
- 2.2 CBSL may lend to LCBs at a concessionary rate of 1 per cent per annum for a period of up to 180 days to be on-lent to the construction sector enterprises under Section 83(1)(c)(ii) of the Monetary Law Act (MLA) subject to Section 83(2), of MLA upon receipt of promissory notes from such LCBs secured by the said promissory notes/guarantees issued by the Government

and immediate fresh facilities to be made available on submission of similar fresh promissory notes by LCBs.

- 2.3 In order to seek this liquidity facility, LCBs shall forward the details of the construction sector enterprises, who have borrowed against a promissory note/guarantee issued by the government, to the CBSL. LCBs are advised to submit a hard copy of the duly completed form as per Annex I signed by the authorised officers of LCBs to the Director of the Domestic Operations Department (DOD). The soft copy of Annex I shall also be sent to a designated email address at the same time of submitting the hard copies. LCBs shall ensure the accuracy and compatibility of the information provided in Annex I.
- 2.4 On the receipt of Annex I, together with a corresponding promissory note as in the form of Annex II from an LCB, the Director of the DOD will make arrangements to credit an amount not exceeding 99 per cent of the face value of the promissory note to the settlement account of the respective LCBs.
- 2.5 LCBs may maintain an interest margin not exceeding 3 per cent for this facility, so that the construction sector enterprises shall have access to credit at an interest rate not exceeding 4 per cent per annum.
- 2.6 At the maturity date of the pledged promissory note/guarantees, the CBSL shall deduct the amount granted by the CBSL and the respective interest component from the RTGS Settlement Account of the respective LCBs.
- 2.7 CBSL shall inform the details of upcoming maturities relevant to LCBs two weeks prior to the maturity date of the promissory note/guarantee.
- 2.8 LCBs are required to immediately repay the CBSL in the event of pledged promissory notes/guarantees being honoured by the Government.
- 2.9 LCBs are required to report to DOD on fortnightly basis on the utilisation of funds obtained under this Operating Instruction, as per Annex III, as at 15th and 30th of each month within 3 working days from the due date.
- 2.10 The Bank Supervision Department and the DOD may jointly monitor the implementation of this facility.



C A Abeysinghe

Director/Domestic Operations

OI Ref: 35/03/023/0001/001

Liquidity Facility to the Construction Sector upon Promissory Notes/Guarantees Issued by the Government

Name of the Bank:

Details of the Requested Loans by Contractors									
#	Promissory Notes issued by the Bank					Promissory Notes/Guarantees issued by the Government			
	Ref. No (As stated in Annex II)	Date of Issue (DD/MM/YYYY)	Date of Maturity (DD/MM/YYYY)	Value (Rs)	Amount requested from the CBSL (Rs.)	Ref. No	Name of the Contractor	Value (Rs.)	Date of Issue (DD/MM/YYYY)
1									
2									
3									
4									
5									

.....

Date

.....

Checked by

.....

Authorised by

You are requested to email the same to [dod@cbsl.lk](mailto:dod@cbsl.lk)

Promissory Note No: _____ (Issued by the Bank)
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**PROMISSORY NOTE**

Colombo

Date: / / 2020

Rs. ....

M/s ..... (Name and address of Participating Financial Institution) promise to pay the sum of Rupees ..... (Rs.....) in 180 days from the date hereof, to the MONETARY BOARD OF THE CENTRAL BANK OF SRI LANKA OR ITS ORDER, together with the interest thereon, at the rate of One per centum per annum (1% p.a).

Name of Participating Financial Institution

STAMP
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Signature and Rubber Stamp of the Authorized Officer

Witness:

1. ....
2. ....

Office Use Only CBSL Ref No: Maturity Date: Total Amount with Interest (%):
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OI Ref: 35/03/023/0001/001

Liquidity Facility to the Construction Sector upon Promissory Notes/Guarantees Issued by the Government

Name of the Bank:

Fortnight Report on Utilisation of Funds obtained under the Liquidity Facility to the Construction Sector									
#	Promissory Note Issued by the Bank			Promissory Note issued by the Government					
	Ref. No (As stated in Annex II)	Date of Maturity (DD/MM/YYYY)	Granted Loan Amount (Rs.)	Ref. No	Name of the Contractor	Face Value (Rs.)	Date of Issue (DD/MM/YYYY)	Date of Maturity (DD/MM/YYYY)	Outstanding Loan Amount as at ..... 2020 (Rs.)
1									
2									
3									
4									
5									

.....  
Date

.....  
Checked by

.....  
Authorised by

You are requested to email the same to [dod@cbsl.lk](mailto:dod@cbsl.lk)