



Ref No: 32/04/011/0013/001

10.09.2021

To: CEO/ GM of all Participating Financial Institutions (PFIs)

Dear Sir/Madam,

**Concessions Provide for the Borrowers of the loans obtained under the
Saubagya (Prosperity) Loan Scheme.**

This refers to the Circular No. 08 of 2021 dated 01.09.2021 issued by the Monetary Board of the Central Bank of Sri Lanka (The Monetary Board Circular) on Concessions for Covid-19 affected Businesses and Individuals (Annex A).

2. Concessions for the loans granted under the Saubagya (Prosperity) Loan Scheme

2.1. In line with the Section 09 of the Monetary Board Circular, it has been decided to avail the debt moratorium for the loans obtained under the Saubagya (Prosperity) Loan Scheme implemented by the RDD, from 01.09.2021 up to 31.12.2021 on case-by-case basis. Debt moratorium could be provided only for Capital Repayment or for both Capital and Interest Payments of the respective loans, as requested by the sub-borrowers. Proposed concessions shall grant for the borrowers who are affected by COVID-19, as defined in the Monetary Board Circular, on case-by-case basis.

2.2. Eligible borrowers who wish to avail the concessions shall make a request seeking such concessions to the relevant Participating Financial Institutions (PFIs) on or before 30.09.2021. PFIs shall expeditiously communicate the concessions, deadlines and application format for the submission to all eligible borrowers via printed and/or electronic means including e-mail and SMS.

2.3. Accordingly, PFIs are requested to accept the request from the eligible borrowers who wish to avail the concessions and report the details separately for each scheme as per the attached format (RDD-SLS- 10.09.2021- Annex I) to the Director of RDD by 15.10.2021. Soft copy of the details in Excel format shall be sent to lakminiws@cbsl.lk and chamali@cbsl.lk with a copy to vijithap@cbsl.lk.

3. Computation of Interest with regard to the extended grace periods

3.1. All PFIs are hereby informed to compute the interest on the capital accumulation resulting from the extended grace period, in conformity with the interest rate of 6 percent per annum of Saubagya (Prosperity) Loan Scheme as given in the respective Operating Instructions and subsequent amendments issued by the Director, RDD of the CBSL on the implementation of aforementioned loan scheme.

3.2. In the event of any PFI has charged an interest from any sub-borrower, which is higher than the interest rate referred above, at any given time, under any circumstance, such PFI shall make immediate arrangements to reverse such interest charges in favor of the sub-borrower and pay the difference to the relevant sub-borrowers.

3.3. If any sub-borrower of aforesaid loan scheme, has opted for no payment of interest during the grace period, the interest accumulated during such grace period should be equally distributed among the remaining loan installments. No interest should be charged on accumulated interest during the grace period and no any compound interest shall be computed during the grace period.

4. Execute the Recovery Actions for Non-Performing Loans (NPLs)

4.1 In line with the Section 2 (c) of the Monetary Board Circular, PFIs are required to initiate all required initial recovery actions which will be suspended according to the guideline of the same circular, within one month after 31.12.2021, on defaulted borrowers of the Suabagya (Prosperity) Loan Scheme.

5. Providing Concessions for the loans in the NPL Category

5.1 PFIs shall provide the debt moratorium for NPL category for upcoming loan installments, subject to the condition that, the PFI shall comply with all the Directions issued by the CBSL with regard to the NPLs when taking a decision. Further, PFIs shall not back date debt moratorium facility for the borrowers who are already in NPL category and transfer such borrowers to the performing category.

5.2 Arrangements will be made, in collaboration with the Bank Supervision Department of the CBSL, to ensure the compliance of the PFIs with these instructions.

6. Please bring the contents of this letter to the notice of the officers of the relevant departments/branches of your bank and ensure meeting the deadlines mentioned above, to maintain the operational efficiency of the Loan Scheme.

Yours faithfully,

sgnd. B.L.J.S.Balasoorya
Director/Regional Development Department



Details of Concessions (Extending Grace Period) Provided for Businesses and Individuals
Loan Scheme : Saubagya (Prosperity) Loan Scheme

Name of the PFI:

#	CBSL Registration No.	CBSL Refinance No. (if applicable)	Name of the Borrower/s	NIC/BR	Approved Loan Amount by the CBSL (Rs.)	Loan Released Amount by the PFI (Rs.)	Date of Loan Released by the PFI	Date of Refinance granted by the CBSL	Concession Extended Date by the PFI	Grace Period (GP)				Repayment Period Including the grace Period			Requested Moratorium Facility (Capital only/Capital and Interest Both)*
										Existing (No. of months)	Requested /Allowed (No. of months)	New GP	Ending date of the GP	Original /Existing (No. of months)	Requested (No. of months)	New Repayment Period	

*Please note repayment period shall not be extended by this debt moratorium.

