



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

23.09.2021

To: CEO/ GM of all Participating Financial Institutions (PFIs) of Saubagya (Prosperity) Loan Scheme

Dear Sir/Madam,

Concessions Provide for the Borrowers of the loans obtained under the Saubagya (Prosperity) Loan Scheme in the Tourism Industry

This is further to the letter issued on 10.09.2021 on the above subject by the Director, Regional Development Department (RDD) of the Central Bank of Sri Lanka (CBSL).

2. Concessions for the loans granted under the Saubagya (Prosperity) Loan Scheme for Businesses and Individuals in the Tourism Industry.

2.1. In line with the Monetary Board Circular No. 10 of 2021 dated 13.09.2021 issued by the Monetary Board of the Central Bank of Sri Lanka (The Monetary Board Circular) (Annex A), it has been decided to provide the debt moratorium facility for the tourism sector under the Saubagya (Prosperity) Loan Scheme up to 30.06.2022 on case-by-case basis.

2.2. Businesses and individuals registered with following institutions are eligible to obtain this extension of concessions.

- i. Ministry of Tourism
- ii. Sri Lankan Tourism Development Authority
- iii. Agencies under Sri Lanka Tourism Development Authority
- iv. Department of Cultural Affairs
- v. The Hotel Association of Sri Lanka

2.3 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 sub-borrowers who are affected by COVID-19, as defined in the Monetary Board Circular, on case by case basis.

2.4 Eligible borrowers who wish to avail the concessions shall make a request seeking such concessions to the relevant PFIs on or before 20.10.2021. Participating Financial Institutions (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.



2.5 Accordingly, PFIs are requested to accept the request from the eligible borrowers who wish to avail the concession and report the details of the scheme as per the attached format (RDD-SLS-TI- 23.09.2021- Annex I) to the Director of RDD by 30.10.2021. 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 debt moratorium periods

3.1 All PFIs are hereby informed to compute the interest on the capital accumulation resulting from the extended debt moratorium period, in conformity with the interest rate (per annum) as given in the respective Operating Instructions and subsequent amendments issued by the Director, RDD of the CBSL on the implementation of Saubagya (prosperity) 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 Saubagya (Prosperity) Loan Scheme has opted for no payment of interest during the debt moratorium period, the interest accumulated during such period should be equally distributed among the remaining loan installments. No interest should be charged on accumulated interest during the debt moratorium period and no any compound interest shall be computed during the debt moratorium period.

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

4.1 In line with the Section B.3 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 30.06.2022, on defaulted borrowers of the Saubagya (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.

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

7. 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 Saubagya (prosperity) 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. | Registered Institution on Tourism | 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) | | | | 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 | |
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*Please note repayment period shall not be extended by this debt moratorium.