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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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பிரதேச அபிவிருத்தித் திணைக்களம்

Regional Development Department

20.04.2020

Ref: 32/ 04/ 011/ 0001/ 002

To: CEO/MD/GM - All PFIs

Dear Sir/ Madam

**“Saubagya COVID 19 Renaissance Facility”**

**Operational Guideline: 01**

This refers to the Operating Instructions No. RDD/PR-COVID19/2020/01 dated 01.04.2020 and subsequent amendment No. RDD/PR-COVID19/2020/01 (A-01) dated 13.04.2020 issued by the Director, Regional Development Department of the Central Bank of Sri Lanka (CBSL).

The guidelines below are issued in order to enhance the clarity of the Operating instructions to ensure smooth implementation of the Saubagya COVID 19 Renaissance Facility.

**1. Eligibility:**

- (a) In terms of the Operating instructions (OI) and the subsequent amendment to OI, as referred to in the Section 2(i) of the Monetary Board Circular No. 05/2020, only micro, small and medium sized businesses including manufacturing, services, agriculture, construction, self-employment businesses and individuals and the businesses in the sectors of tourism, exports and related logistic suppliers, are eligible for this Facility.
- (b) One borrower (business) is eligible for only one loan even when the borrower has banking facilities in several banks. Hence, PFIs are required to obtain a written confirmation from the borrower that the borrower has not approached other banks for loans under the same scheme.
- (c) Further, PFIs need to assess true eligibility of the borrower based on the bank accounts maintained, including foreign currency accounts and collaterals provided.

**2. Loan Size:**

- (a) The maximum loan amount for an eligible borrower (business) shall be equivalent to the amount of two months working capital requirement of business concerned.
- (b) PFIs are required to properly evaluate the working capital requirements of the borrower and agree on the loan size based on the given criteria.
- (c) PFIs, when assessing fund requirement, shall confine only to obligatory expenses to be incurred during the two-month period, such as salaries/wages.

- (d) Usual components of working capital, such as raw material, etc., shall be excluded if the business is non-operational.

**3. Priority:**

- (a) PFIs shall give priority to applications from micro, small and medium sized businesses and businesses that are pivotal in protecting employment and production.
- (b) In this regard, first priority should be given for micro and small sized businesses which can manage with less than Rs. 10 million working capital and the second priority should be on the medium and high-medium sized businesses which can manage with a working capital of between Rs 10 million and Rs. 25 million.
- (c) Applications from other eligible businesses and businesses whose working capital requirement is above Rs 25 million should be considered on a case by case basis, depending on the importance of such businesses for employment and production, in consultation with the Regional Development Department (RDD) of CBSL.
- (d) PFIs may grant working capital loans for large businesses based on their own initiatives using additional liquidity made available through the reduction of Statutory Reserve Ratio and other relaxations introduced by the CBSL.

**4. Other Requirements:**

- (a) All supporting documents from eligible borrowers, that are necessary to assess the amount of working capital shall be availed of by PFIs before processing the loan.
- (b) PFIs should obtain a written assurance from the businesses using CBSL refinance facility that there will be no layoff of their employees and their jobs will be secured with suitable remuneration including EPF and ETF.
- (c) A weekly report shall be submitted to the Regional Development Department via email, [vijitha@cbsl.lk](mailto:vijitha@cbsl.lk) and [anuruddika@cbsl.lk](mailto:anuruddika@cbsl.lk), on Friday commencing from 24.04.2020, as per the format attached.

You are kindly requested to bring the contents of this Guideline to the notice of the officers of the relevant departments/branches in your bank.

Thank you



**M S K Dharmawardane**

**Director/ Regional Development Department**