



**MONETARY BOARD**

**CENTRAL BANK OF SRI LANKA**

24 April 2020

**FINANCE BUSINESS ACT DIRECTIONS**

**No. 3 of 2020**

**AMENDMENTS TO DIRECTIONS ON LOAN TO VALUE RATIOS FOR CREDIT FACILITIES GRANTED IN RESPECT OF MOTOR VEHICLES**

Issued under Section 12 of the Finance Business Act, No.42 of 2011.

The Central Bank of Sri Lanka issues Directions as follows for implementation of loan to value ratios in respect of credit facilities granted by Licensed Finance Companies (LFCs), for the purpose of purchase or utilisation of motor vehicles.

1. The following will replace Directions 1 (i) of the Finance Business Act Directions No.02 of 2019 – Amendments to Directions on Loan to Value Ratios for Credit Facilities Granted in respect of Motor Vehicles.

(i) Credit facilities granted by LFCs for the purpose of purchase or utilisation of motor vehicles shall not exceed the following percentages of the market value of such vehicles.

(a) In respect of unregistered vehicles and registered vehicles which have been used in Sri Lanka for less than one year after the first registration;

**Table 1 – Loan to Value Ratio**

Vehicle Category	Vehicle Class of Department of Motor Traffic	Electric Vehicles	Other
Commercial vehicles	C1, C, CE, D1, D, DE, G1, G, J	90%	90%
Motor Cars, SUVs and Vans	B (other than light trucks & single cabs)	90%	50%
Locally Assembled Motor Cars, SUVs and Vans	B (other than light trucks & single cabs)	90%	70%
Three wheelers	B1	90%	25%
Light trucks	B	90%	90%
Any other vehicle	A1, A and single cabs categorized under B	90%	70%
Hybrid Motor Cars, Vans and SUVs	B (other than light trucks & single cabs)	50%	

(b) 70 per cent in respect of registered vehicles which have been used in Sri Lanka for more than one year after the first registration.

**Prof. W D Lakshman**

*Chairman of the Monetary Board and  
Governor of the Central Bank of Sri Lanka*