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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

03 March 2023

**To: Chief Executive Officers of Licensed Finance Companies
and Specialised Leasing Companies**

**Proposed Concessionary Measures to Micro, Small and Medium Enterprises (MSMEs) and
Individuals affected by the Present Macroeconomic Conditions**

The prevailing extraordinary macroeconomic conditions have given rise to an imminent threat on the repayment capacities and the sustainability of MSMEs engaged in various economic sectors and the individuals including fixed income earners and pensioners (hereinafter referred to as “borrowers”). The continuation of these adversities would pose a severe threat on recoverability of outstanding loans and advances of Licensed Finance Companies and Specialised Leasing Companies (hereinafter referred to as “Non-Bank Financial Institutions (NBFIs)”).

2. Accordingly, with a view to encouraging MSMEs and individuals with a potential to revive their businesses/income streams to commence repayment of loans while preventing any elevated strain on the NBFIs sector, the NBFIs are requested to provide appropriate concessions including the following:

- 2.1 **Restructure and reschedule the credit facilities of performing and non-performing borrowers** who are adversely affected by the prevailing adverse macroeconomic conditions, based on an objective assessment of the future repayment capacity/viability of the business.
- 2.2 **Suspend recovery actions against non-performing credit facilities that have been classified as non-performing on or after 01.01.2020, on a case-by-case basis**, on the basis of an objective assessment of the future repayment capacity/viability of businesses, upon the condition that the borrower submits an acceptable repayment plan.
- 2.3 **Encourage early settlement of existing performing or rescheduled credit facilities, by applying a reduced rate** for early settlement charges and recovery of future interest.

3. **You are requested to circulate the contents of this request across the branch network** and ensure that the branches implement adequate measures to provide appropriate concessions to MSMEs and individual borrowers affected by the prevailing macroeconomic conditions, as requested by this letter.

Dr. P Nandalal Weerasinghe
Governor
Central Bank of Sri Lanka