



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Communications Department

30, Janadhipathi Mawatha, Colombo 01, Sri Lanka.

Tel : 2477424, 2477423, 2477418

Fax: 2346257, 2477739

E-mail: dcommunications@cbsl.lk, communications@cbsl.lk

Web: www.cbsl.gov.lk

Press Release

Issued By Department of Supervision of Non-Bank Financial Institutions

Date 31.03.2020

Measures taken by the Central Bank of Sri Lanka to Provide Flexibility to Licensed Finance Companies and Specialised Leasing Companies to Support Businesses and Individuals Affected by the Outbreak of Coronavirus (COVID – 19)

The Monetary Board of the Central Bank of Sri Lanka (CBSL) decided to introduce number of measures to provide flexibility to Licensed Finance Companies (LFCs) and Specialised Leasing Companies (SLCs) facilitating them to support businesses and individuals affected by the outbreak of COVID-19. In line with this initiative, implementation of several regulatory measures such as capital enhancement will be deferred while certain regulatory measures will be relaxed as a temporary step giving due consideration to the imminent threat faced by LFCs and SLCs.

Accordingly, Monetary Board decided to introduce the following extraordinary measures to provide further space for LFCs/SLCs to assist COVID-19 affected businesses and individuals on an urgent basis.

- (a) Reduction of maintenance of liquid asset requirement for time deposits, savings deposits and borrowings to ease liquidity stress faced by LFCs/SLCs due to sudden withdrawal of cash by depositors and non-repayment of loan rentals.
- (b) An extension of one year to comply with minimum core capital requirements. Accordingly time line of 01.01.2020 and 01.01.2021 already set for the enhancement of capital up to Rs 2bn and Rs 2.5 bn will be extended until 31.12.2020 and 31.12.2021, respectively.

- (c) Defer the enhancements of minimum capital adequacy requirements due by LFCs/SLCs on 01.07.2020 and 01.07.2021, for a further period of one year until 01.07.2021 and 01.07.2022 respectively.

Further, it has been decided to relax deadlines on submission of statutory returns and accordingly all LFCs/SLCs are informed to submit statutory returns to the Department of Supervision of Non-Bank Financial Institutions within two weeks of the commencement of normal business operations of such LFCs/SLCs. The CBSL is currently in the process of ascertaining the possibilities for granting liquidity support under Sri Lanka Deposit Insurance and Liquidity Support Scheme for LFCs, if required.

LFCs/SLCs are advised to diligently monitor their risk profile and resources during this period, while the Central Bank will continue to closely monitor the liquidity and capital positions of LFCs in order to detect any early warnings of stress to ensure safety and soundness of the non-banking financial institutions sector.