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## Concessionary Scheme for Businesses and Individuals Affected by the third Wave of COVID-19

Considering the difficulties faced by the borrowers of licensed banks due to the third wave of COVID- 19 pandemic, the Central Bank of Sri Lanka (CBSL) has requested licensed commercial banks and licensed specialised banks (licensed banks) to provide concessions to affected borrowers as follows:

### Concessions granted for performing credit facilities

With respect to credit facilities that are in the performing category as at 15 May 2021, to defer recovery of capital, interest, or both, on case-by-case basis, during the period up to 31 August 2021, considering the financial difficulties (such as loss of job, loss or reduction of income/salaries or sales, closure of business etc.) of the eligible borrowers.

- In the case of Rupee facilities, licensed banks may charge an interest rate not exceeding the 364-days Treasury Bills auction rate as at 19 May 2021 (i.e. 5.18% p.a.) plus 1 per cent per annum (i.e. 6.18% per annum) **only on the deferred amount and for the deferred period.**
- In the case of foreign currency loans, licensed banks may charge a concessionary interest rate considering the prevailing low interest rates.

Alternatively, licensed banks may restructure the existing credit facilities over a longer period, considering the repayment capacity of the borrower and an acceptable revival plan submitted by such borrowers.

### Concessions granted for non-performing credit facilities

Reschedule the credit facilities in the non-performing category as at 15 May 2021, considering the repayment capacity of the borrower and an acceptable revival plan. **All recovery actions are required to be suspended until 31 August 2021, against credit facilities that are classified as non-performing on or after 01 April 2020.**

### Other concessions

- Extension of validity period of cheques valued less than Rs. 500,000 up to 30 June 2021.
- Extension of the due dates of short-term revolving facilities during the period up to 31 August 2021.
- Discontinuation of charging for cheque returns and late payments for credit cards during the period up to 30 June 2021 for those who are demonstrably affected.
- Not to decline loan applications from eligible borrowers under this Scheme solely based on an adverse CRIB record.
- Consider any request from affected borrowers to delay the loan repayments by few days (maximum 10 working days) due to the ongoing travel restrictions, without charging any additional interest or other charges for such delay.

The eligible borrowers who wish to apply for the concessionary scheme, are required to make a request to the respective licensed bank on or before 21 June 2021, in writing or through electronic means. Licensed banks are requested to accept any request submitted after 21 June 2021, if the reasons for delay in making such request is acceptable.

Eligible borrowers who have the capacity to repay loans are expected to continue the repayments instead of requesting for deferment or restructuring of credit facilities. Further, eligible borrowers may contact the respective licensed bank/s to obtain more information. Relevant Circular No 05 of 2021 issued to licensed banks on 25 May 2021 is published in the CBSL website, [www.cbsl.gov.lk](http://www.cbsl.gov.lk).

CBSL encourages public to use online payment services/instruments for their day-to-day transactions to facilitate the ongoing efforts to control the spread of pandemic and wishes to advise licensed banks and general public to strictly adhere to necessary health and safety requirements in providing/obtaining such services.