

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Department of Supervision of Non-Bank Financial Institutions

Date 11.06.2021

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

Considering the difficulties faced by the borrowers of Licensed Finance Companies and Specialised Leasing Companies [hereinafter referred to as Non-Banking Financial Institutions (NBFIs)], due to the third wave of COVID-19 pandemic, the Central Bank of Sri Lanka (CBSL) issued circular No. 06 of 2021 on concessions for COVID-19 affected businesses and individuals, requesting NBFIs to provide concessions to affected borrowers as follows:

1. Concessions granted for performing credit facilities

- (a) 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.
- (b) NBFIs may charge an interest rate not exceeding the 364-days Treasury Bills auction rate as at 19 May 2021 plus 5.5 per cent per annum (i.e. 10.68% per annum) only on the deferred amount and for the deferred period.
- (c) Alternatively, NBFIs 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.

2. Concessions granted for non-performing credit facilities

- (a) Reschedule the credit facilities in the non-performing category as at 15 May 2021, over a longer period considering the repayment capacity of the borrower and an acceptable revival plan.
- (b) NBFIs shall suspend all types of recovery actions against credit facilities of eligible borrowers that have been classified as non-performing on or after 01 April 2020, until 31 August 2021.

3. Other concessions

- (a) NBFIs shall discontinue late payment fee on credit cards and other credit facilities during the period up to 30 June 2021, for those who are demonstrably affected.
- (b) 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.
- (c) NBFIs shall not charge any early settlement fee from eligible borrowers, in the case where a borrower has expressed his willingness to settle his/her existing credit facilities on or before 31 August 2021, instead of opting for the deferment or restructuring of the existing credit facility/facilities
- (d) NBFIs shall not decline loan applications from eligible borrowers under this Scheme solely based on an adverse CRIB record.

4. Deadline for submission of request

The eligible borrowers who wish to apply for the concessionary scheme, are required to make a request to the respective branch of NBFIs on or before 15 July 2021, in writing or through electronic means.

The detailed Circular No. 06 of 2021 issued to NBFIs in this regard is published in the CBSL website <https://www.cbsl.gov.lk/en/laws/directions-circulars-guidelines-for-non-banks>. General public can get further information regarding the circular through the call center established at CBSL through 011-2477000 and 011-2477966.