

**RUPEES 50 BILLION, SIX-MONTH RE-FINANCING FACILITY TO SUPPORT COVID-19 HIT BUSINESSES
INCLUDING SELF EMPLOYMENT AND INDIVIDUALS**

Who is eligible

Following businesses/sectors with turnover below Rs. 1 bn.

(a) Tourism, direct and indirect export-related businesses including apparel, IT, tea, spices, plantation and related logistic suppliers that have been adversely affected by work disruption and overseas lockdowns resulting from COVID – 19.

(b) Small and Medium Enterprises (SMEs) engaged in business sectors such as manufacturing, services, agriculture (including processing), construction, value addition and trading businesses including authorised domestic pharmaceutical suppliers with

(c) Self-employment businesses and individuals who have lost their jobs or income due to the outbreak of COVID-19.

(d) Foreign currency earners (individuals and corporates) who have to repay loans in foreign currency and whose incomes/ businesses have been adversely affected due to the outbreak of COVID-19.

Deadlines for applications and processing of loans

Requests for arrangements should be communicated before 30.04.2020.

The financial institutions shall complete processing of such requests within 45 days from the date of receipt of the request.

Until the processing of requests is concluded recovery of loans from the respective applicants shall be suspended.

Granting Institutions

The licensed commercial banks, licensed specialised banks, licensed finance companies and specialised leasing companies (hereinafter referred to as Financial Institutions)

Types of Facilities considered

term loans, leasing facilities, pawning, overdrafts and trade finance facilities denominated in Rupees and foreign currency subject to the requirements specified.

Types of facilities not considered

For the avoidance of doubt, import facilities shall not be permitted under this re-finance facility, for imports other than pharmaceutical drugs, medical equipment, food, fertilizer and essential raw materials and machinery and equipment.

Types of Concessions available

(a) Concessions for Existing Performing Loans as at 25.03.2020

- i. A six-month debt moratorium on the leasing rentals of all threewheelers, school vans, lorries, small goods transport vehicles and buses and related assets such as motor bikes and taxies operated by the self employed/ owners.
- ii. A debt moratorium until 30.05.2020 on personal loans granted to all private sector non-executive employees.
- iii. A three-month debt moratorium for all personal loans and leasing where the granted amount is less than Rs. 1 million.
- iv. A six-month debt moratorium for affected industries in small & medium enterprises, tourism, apparel, plantation, IT and related logistic service providers.
- v. A six-month debt moratorium for all other eligible businesses/sectors specified under

(b) Concessions for Existing Non-Performing Loans (NPLs) as at 25.03.2020

** Please contact us for further details on NPL concessions

(c) New Working Capital or Investment Purpose Loan

Upon presenting a credible investment plan and proper evaluation by the granting Financial Institution the following facilities are available

New Working Capital Loans

- i. These shall be granted to eligible performing and non-performing borrowers in Rupees not exceeding Rs. 25 mn per bank per borrower and Rs. 10 mn per other financial institutions per borrower or 2 months working capital requirement whichever is higher.
- ii. Such loan shall be repaid over two years at an interest rate equal to 4% p.a. CBSL will subsidize interest cost up to 4% for licensed banks and up to 7% for other financial institutions as a rebate.

New Investment Loans

- i. These shall be granted only by banks and only for performing borrowers in Rupees not exceeding Rs. 300 mn per bank per borrower to expand business activities. Such loan shall be repaid over five years at an interest rate equal to maximum of AWPLR plus 1.5%.

*A moratorium for a period 25.03.2020 to 30.09.2020 will be granted for both working capital loans and investment loans.

**Financial institutions may obtain suitable collateral to mitigate the risk relating to any additional credit facilities granted under this re-finance facility.

*** Reporting to the Credit Information Bureau (CRIB) of Sri Lanka - Financial Institutions are expected to have a mechanism not to decline loan applications solely based on an adverse CRIB record