



**CENTRAL BANK OF SRI LANKA
BANK SUPERVISION DEPARTMENT**

28 September 2018

BANKING ACT DIRECTIONS

No. 06 of 2018

MEASURES TO CURTAIL IMPORT OF MOTOR VEHICLES

Issued under Sections 46(1) and 76(J) (1) of the Banking Act, No. 30 of 1988, as amended.

The Central Bank of Sri Lanka with a view to curtailing imports and the resultant adverse impact on the exchange rate requires licensed commercial banks and licensed specialised banks to adopt the following measures with effect from 01 October 2018.

1. The following will replace Directions 2.1 of the Banking Act Directions No. 01 of 2018 on Loan to Value Ratios for Credit Facilities Granted in respect of Motor Vehicles.

Credit facilities granted by every licensed bank for the purpose of purchase or utilisation of motor vehicles shall not exceed the following percentages of the market value of such vehicles until further notice.


- (i) In respect of unregistered vehicles which have been used in Sri Lanka for less than one year after the first registration;

Table 1 – Loan to Value Ratio

Vehicle Category	Vehicle Class of Department of Motor Traffic	Electric Vehicles	Other
Commercial vehicles	C1, C, CE, D1, D, DE, G1, G, J	90%	90%
Motor Cars, SUVs and Vans	B (other than light trucks & single cabs)	90%	50%
Three wheelers	B1	90%	25%
Any other vehicle	A1, A, light trucks & single cabs categorized under B	90%	70%
Hybrid Motor Cars, Vans and SUVs	B (other than light trucks & single cabs)	50%	

- (ii) 70 per cent in respect of registered vehicles which have been used in Sri Lanka for more than one year after the first registration.

2. Refrain from opening of letters of credit for importation of motor vehicles under the scheme for issuance of motor vehicle permits on concessionary terms issued by the Government of Sri Lanka until further notice.


Dr. P N Weerasinghe
Chief Executive Officer/Senior Deputy Governor
of the Central Bank of Sri Lanka