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MINISTRY OF FINANCE, ECONOMIC STABILIZATION AND NATIONAL POLICIES

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මගේ අංකය }
எனது இல. } DFD/pawning loans/2024
My No. }

ඔබේ අංකය }
உமது இல. }
Your No. }

දිනය }
திகதி } 31.07.2024
Date }

Circular No. : DFD/2024 - 2

General Manager, Bank of Ceylon
General Manager, People's Bank
General Manager, National Savings Bank
General Manager, Regional Development Bank
General Manager, Sri Lanka Savings Bank Ltd
Chief Executive Officer, Housing Development Finance Corporation Bank
Chief Executive Officer, Amana Bank PLC
Chief Executive Officer, Commercial Bank of Ceylon PLC
Chief Executive Officer, DFCC Bank PLC
Chief Executive Officer, Hatton National Bank PLC
Chief Executive Officer, National Development Bank PLC
Chief Executive Officer, Nations Trust Bank PLC
Chief Executive Officer, Pan Asia Banking Corporation PLC
Chief Executive Officer, Sampath Bank PLC
Chief Executive Officer, Sanasa Development Bank PLC
Chief Executive Officer, Seylan Bank PLC
Chief Executive Officer, Union Bank of Colombo PLC

Dear Sir/Madam

Providing Relief for People who have Pawned Jewelry in the Licensed Banks

This refers to the Cabinet decision dated 22.07.2024 with regard to the Cabinet Memorandum No 24/1433/604/158 dated 22.07.2024 on Providing Relief for People who have Pawned Jewelry in Banks. Accordingly, the Cabinet of Ministers has decided to provide an interest subsidy for pawning advances obtained by Aswesuma beneficiaries from the licensed banks. Therefore, the licensed banks are instructed to implement this program in line with the following operating guidelines with effect from 01st August 2024.

1. Eligible customers and pawning advances

1.1 Only Aswesuma beneficiaries are eligible for this program. Accordingly, customer should be a member of Aswesuma beneficiary family.

- 1.2 The General Treasury will pay an interest subsidy for pawning advances not exceeding Rs. 100,000 obtained by individual customers from the licensed banks (both the licensed commercial banks and licensed specialised banks).
- 1.3 One customer can obtain this benefit only from one licensed bank up to a maximum pawning advance amount of Rs 100,000. Accordingly, one customer can obtain this benefit up to a maximum cumulative pawning advance of Rs 100,000, irrespective of the number of pawning advances obtained from the same bank.
- 1.4 Only pawning advances obtained from the licensed banks on or before 30th June 2024 are considered.
- 1.5 Only pawning advances in the performing category as at 30th June 2024 are eligible for this program.
- 1.6 Accordingly, pawning advances in the non- performing category as at 30th June 2024 are not eligible for this program.
- 1.7 If a customer renews a pawning advance in the performing category mentioned in the 1.5 above after the maturity, only one renewal is eligible for this program. However the renewed pawning advance is eligible for this program only if the value of renewed pawning advance is less than or equal to value of the previous pawning advance.

2. Applicable interest subsidy and period

- 2.1 An interest subsidy subject to a maximum of 10 % per annum will be paid by the General Treasury to the respective banks through the Department of Development Finance of the General Treasury.
- 2.2 Accordingly, if the applicable bank interest rate is more than 10 % per annum, the interest subsidy is 10 % per annum. Difference between the applicable bank interest rate and interest subsidy should be paid by the customers.
- 2.3 If the applicable bank interest rate is less than or equal 10 % per annum, the interest subsidy equals the applicable bank interest rate.
- 2.4 The General Treasury will pay the interest subsidy for a particular period only after a customer has paid the relevant amount of interest payable by him for that period as follows.
 - After customer settles the interest payable by him/her (as per the 2.2 and 2.3 above) in respect of the entire contractual period of the pawning advance
 - After customer settles the interest payable by him/her (as per the 2.2 and 2.3 above) in respect of a portion of contractual period of the pawning advance

2.5 Interest subsidy will be provided only for a maximum period of 2 years from 01st August 2024 to 31st July 2026. Accordingly, Interest subsidy will not be provided for the period before 01st August 2024 and the period after 31st July 2026.

3. Submission of interest subsidy claims

3.1 The interest subsidy claims (Annex 1) should be submitted by the banks monthly to the Department of Development Finance of the General Treasury.

3.2 These interest subsidy claims should be certified by the internal auditor of respective banks.

4. Registration of Customers

4.1 Bank should individually inform all customers who satisfy the condition mentioned in 1.2 above, regarding this relief program.

4.2 Each customer must submit a letter to the bank stating that he/she is a member of Aswesuma beneficiary family with the confirmation of relevant Divisional Secretary (Annex 2).

4.3 The bank should obtain an affidavit from the customers by confirming that he/she has not applied for this relief program from other bank.

5. Issuing internal circulars

5.1 An internal circular based on the above needs to be circulated among the branches of the respective banks to implement this program with effect from 01st August 2024.

Your cooperation in this regard is highly appreciated.

Yours faithfully



K.M. Mahinda Siriwardana
Secretary to the Treasury

Copies:

- | | | |
|---|---|---------------|
| 01. Secretary to the President | - | f.i . pl |
| 02 Secretary, Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government | - | f.i & n.a. pl |
| 03. Director General, Department of National Budget | - | f.i & n.a. pl |
| 04. Director General, Department of Treasury Operations | - | f.i & n.a. pl |
| 05. Director, Bank Supervision Department, Central Bank of Sri Lanka | - | f.i & n.a. pl |

Providing Interest Subsidy to Customers who have pawned Jewelry in the Licensed Banks
Request for Interest Subsidy

Name of the bank :
Year :
month :

Total Number of eligible pawning advances during this month	Total number of eligible customers during this month	Total amount of interest paid by customers during this month (Rs.)	Total Interest Subsidy for this month (Rs.)

We hereby certify that all the above information is true and correct

.....
Signature of the Authorised Officer

.....
Signature of the Internal Auditor

.....
Name of the Authorised Officer

.....
Name of the Internal Auditor

Date
Stamp

.....
Date
Stamp

(Name and Address of the Customer)

.....
.....
.....
...../...../ 20.....

(Name, Branch and Address of the Bank)

The Manager

..... Bank

.....
.....

Providing Relief for People who have pawned Jewelry in the licensed Banks

I hereby declare that I am a member of an Aswesuma beneficiary family.

Customer's Full Name:

Customer's NIC:

Customer's Signature:

(To be completed by the Divisional Secretariat)

I certify that the above named is a member of an Aswesuma beneficiary family.

Divisional Secretary's Signature:

Divisional Secretariat:

Date:

Official Seal: