

SEC

SECURITIES AND EXCHANGE
COMMISSION OF SRI LANKA

Office of the Director General



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31st March 2020

SEC/DG/03/35

To the Colombo Stock Exchange and to all licensed Stock Brokers

Directive issued under and in terms of Section 13 c of the Securities and Exchange Commission of Sri Lanka Act No.36 of 1987 as amended

Granting relief to all investors affected by the market downturn caused by COVID 19 pandemic in Sri Lanka

The Securities and Exchange Commission of Sri Lanka taking into consideration the impact caused to investors as a result of the drop in valuations of listed securities on or about 11th March 2020 has decided to grant a moratorium to the clients of all licensed Stock Brokers and registered Margin Providers from the payment of interest on credit extended to them, which are due during the period commencing 11th March 2020.

This decision has been made upon taking into consideration the decisions taken by the Central Bank of Sri Lanka to set up a Re-financing Facility to implement the decisions taken by the Cabinet of Ministers on 20th March 2020 to introduce a wide range of fiscal and financial concessions to those who have been adversely affected due to the unprecedented situation presently prevailing in the country.

Therefore all licensed Stock Brokers are hereby directed to pass on the benefit they will derive from the decisions announced by the Central Bank of Sri Lanka to their clients and are directed to refrain from charging and recovering interest on credit extended to their clients until 30th June 2020.

This will be a temporary measure and the Securities and Exchange Commission of Sri Lanka shall monitor and review the impact of this directive from time to time and shall reserve its right to amend, vary or repeal this directive anytime before or after 30th June 2020 if deemed appropriate.

The Colombo Stock Exchange is hereby directed to inform all licensed Stock Brokers of this directive forthwith.

This directive shall be effective from the date hereof until 30th June 2020.

Chinthaka Mendis
Director General