

**REGULATION OF INTEREST RATES AND TERMS OF CREDIT OF
SPECIFIED BANKS AND SPECIFIED FINANCIAL INSTITUTIONS**

[Gazette Notice 1617 of 1990]

(a) The minimum rate of interest payable by specified banks and specified financial institutions on deposits or savings shall be 13.5 per cent per annum.

(b) The maximum rate of interest which specified banks may charge for loans or advances granted for a term not exceeding three (3) years shall be 16.5 per cent per annum calculated on a reducing balance method, with monthly rests.

(c) The maximum rate of interest which specified banks may charge for loans or advances granted for a term exceeding three(3) years shall be 19 per cent per annum calculated on a reducing balance method, with monthly rests:

Provided that interest rates on term loans granted for a period exceeding three (3) years outstanding in the books of specified banks on 31st March, 1990, shall continue at existing rates until 31st March, 1991, when interest rates may be re-negotiated between the parties subject to the maximum interest rate of 19 per cent per annum.

(d) maximum rate of interest which specified financial institutions may charge for loans, advances or instalment facilities shall be 19 per cent per annum calculated on a reducing balance method, with monthly rests.

This notice shall be deemed to have come into effect on 1st April, 1990, and supersedes *Gazette* Notice No. 4939 of 1989 and *Gazette* No. 1458 of 1990.
