

**Credit Circular No 2022/22**

**11th November 2022**

**CASH BACKED CREDIT FACILITIES**

1. Examiners of the Central Bank of Sri Lanka has expressed their concern over cash backed advances where the “**UNDER LIEN”’** rubber stamp has not been placed on the face of the related Fixed Deposit Receipts held as security, in several instances. (*Our Ref CBSL/ Table 17 item 15*)
2. Therefore, Branch Managers and officials at the Credit Administration Unit should examine the security files relating to existing cash backed facilities immediately, and record “**Under Lien**” on the face of the fixed deposit receipts held as security for cash backed credit facilities and ensure that this procedure is fallowed when granting such credit facilities in the future.
3. This circular should be considered as an addendum to the Existing “Savings and Term Deposits Policy and Procedures Manual Version II” & “Credit Policy and Procedures Manual Version II”
4. Branch Managers and officials at the Credit Administration Unit are jointly responsible to ensure compliance with the aforesaid requirement.

(*Please use a rubber stamp for this purpose).*

Signed Signed

Deputy General Manager CEO/ Executive Director

(CREDIT)