

KEY FACTS DOCUMENT

This document provides key information in regard to Deposits/investments products offered to the prospective customers by Softlogic Finance PLC (SF PLC). The company reserves the right to amend, delete and add any of the stated terms, conditions and related fees and charges at any given time.

Fixed deposit Accounts

1. Introduction

A fixed deposit is a secure type of account that will allow you to invest for a shorter or a long-term period and we offer you the freedom of investing your valuable money from a minimum period of 01 month to a maximum period of 5 years. Fixed deposit accounts offer higher interest rates than a savings account where the interest rate varies based on the period of investment. A FD can be opened by submission of a completed FD application form and KYC details for which the forms will be provided by the company.

2. Who can open fixed deposit accounts?

- Sri Lankan nationals over 18 years and under 18 are not eligible for accepting deposits either individually or jointly.
- Non -nationals holding a Valid resident VISA and Dual citizenship
- No deposits can be accepted from foreign citizen either jointly or individually.

3. Method of fund

- Following method can be used to route your funds for the purpose of the investments of the fixed deposit.
- Bank cheque to be drawn on account of "SOFTLOGIC FINANCE PLC "
- Direct Deposits (SLIPS/CEFT /RTGS) with the reference of the Deposit holder's NIC No or any other identification that can be accepted to SF PLC

Fund for your fixed deposit investments can be routed through a combination of the above methods if required .But the fixed deposit account will be activated only the total value of the investment is realized.

4. Unique Product features of a Fixed Deposit

Fund for your fixed deposit investments can be routed through a combination of the above methods if required. But the fixed deposit account will be activated only the total value of the investment is realized.

- Minimum deposit value of a Fixed deposit is Rs.10,000.00
- Contracted fixed period from 01 month to a maximum of 5 years.
- No maximum limitation of the capital amount to be invested.
- You will be issued a Fixed deposit Certificate which is not negotiable and transferrable instrument.
- Any amendments to the maturity instructions can be made based on the operating instructions given at the time of opening the fixed deposit before the date of maturity.

5. Interest and interest payments

The interest rates applied to your fixed deposit account is fixed by the SF PLC according to the prevailing market rates and policy rate carried out by Central Bank from time to time.

You can visit our website – www.softlogicfinance.lk for updated interest rate

Interest will be calculated based on 365 days and you have the opportunity to select the frequency of the interest payments from monthly or maturity.

Interest will be credited as per the interest payment frequency requested by you and following options are available

1. SLIPS transfer
2. Cash
3. Account Payee cheques
4. Softlogic Finance Savings Accounts

6. Withholding Tax (WHT) and Advance Income Tax (AIT) on interest

As per the Income Tax Act No 24 Of 2017 (IRA) – Circular No SEC/2020 (Revised) with effect from 01st April revised date 8th June 2020 issued by the Inland Revenue Department.

WHT on interest is liable at the rate of 5%

- Non-Resident and non-Citizen Person.

WHT on Interest is liable for exceeding of Rs.250,000/- per month at the rate of 5%

- Non-resident citizen individual person (i.e. If declaration is not received, WHT should be deducted on the total gross interest payment.)

The AIT on interest is liable for resident person subject to the consent given by such person. If consent is not given, AIT could be deducted.

AIT is deductible by applying the relevant income Tax rates on the relevant amounts declared by the person in their declarations.

In case of resident individual, amount of the payment and the tax rates are given below.

Amount of Interest (Rs.)		Tax Rate
For Annual Deductions(Y/A)	For monthly deductions	
Maximum up to Rs.3,000,000	Maximum up to Rs.250,000	6.00%
Next, but maximum up to Rs.3,000,000.00	Next, but maximum up to Rs.250,000.00	12%
Balance	Balance	18%

For any resident person other than resident individual , amount of the payment and the Tax rates are given below.

Type of Entity	Tax Rate	Amount of Payment (Rs.)*
Partnership	6.00%	
Charitable Institution	14.00%	
Employees trust funds, Provident Fund ,Pension Fund or Terminal Funds	14.00%	
Other Resident entities including Resident company	24.00%	

(* amount of payment for which AIT to be deducted must be specified by the declarant as applicable. The Declarant can exclude the exempted interest for AIT deduction purpose)

7. Cancellation

The investor may choose to withdraw a deposit prior to its contracted maturity date. In such instances the customer should submit a written request.

The SF PLC may agree to such requests based on market conditions prevailing at the time and will be subject to penalties and charges on account of such pre-mature withdrawal, In the event of a premature withdrawal the customer may receive an Interest Rate lesser than that of initially agreed as per the direction by Central Bank. FD cancellation will be proceed based on your request to the following mode of pay outs

1. CEFT /SLIPs Transfer to any other bank
2. Cash Payments
3. Softlogic finance savings account transfers
4. Account payee cheques

8. Charges and Fees

There are no charges directly applicable on placing FDs. Investments are conducted at rates published by SF PLC time to time.

Charge for issuing Visa Letter	Rs. 2,000
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9. Loans against Fixed deposits

It is possible to obtain a loan facility against your fixed deposit account up to a maximum of 80% of your fixed deposit value based on the loans against fixed deposit application and the operating instruction of the said fixed deposit account.

Saving accounts

1. Who can open Savings Accounts?

Savings Accounts may be opened in the name of:

- Individuals - singly or jointly with other individuals of Sri Lankan citizen only.
- Minors - on behalf of minors, by their guardian of Sri Lankan citizen. Minors will be eligible to operate the a/c after 18 years of age. Minor accounts are subjected under "FINANCE COMPANIES (MAINTAINANCE OF SAVINGS ACCOUNT FOR MINORS) GUIDELINES NO.1 OF 2007" however upon completion of 18 years of age; the minor account must be converted into an Adult Savings Account with the balances lying in the minor account. A fresh passbook will also be issued. Copy of the original Birth certificate to be obtained at the time of the opening of a minor savings account. "Original Seen" rubber stamp should be placed along with the authorized officer's signature on copy of Birth certificate.
- Senior Citizen – Eligible for person who are completed at the age of 60 years.

Any entity can be opened subject to the guidelines issued by the SF PLC and the law/rules applicable to each entity.

2. For opening a Savings Account

We invite you to visit the closest branch to open your savings accounts. Following account opening documents will be handed over to you by our staff that should be read and filled in completely.

- Account opening application
- KYC form

You will only need to bring your National Identity card /Passport or driving license. If your current residential address differs from address on the national card /driving license, you will be expected to bring the Valid address verification documents (Billing proof –Utility bill –not over 3 months old / other bank statement or copy of other bank passbook /a letter obtained by a state authority etc.) to register the address accordingly.

If the savings account is opened for an entity the relevant documentation needed will be informed by our staff.

3. Initial Deposit Value and Minimum Balance

Depositor can open their savings account with the initial deposit of Rs.1,000 and the initial value will be varying depending on the type of savings account.

- The minimum balance of Rs.1,000.00 as determined by SFPLC from time to time must always be maintained and you have to be mindful of the minimum balance stipulated by SF PLC for the savings accounts product you have chosen.
- Whenever the balance in the savings account falls below the prescribed minimum balance a minimum average balance fee will be levied as per the prevailing board approved tariff and such customer must be advised to regularize the account.
- If any account holder continuously maintains less than the prescribed minimum balance in his account SFPLC may exercise its right to close such an account with prior advice to those customers.

4. Interest on Savings Accounts

- Rate of interest payable for Savings Accounts will be as decided by the Management from time to time and as per the Central Bank guidelines.
- Interest will be calculated on a daily basis and credited to the accounts monthly.
- No interest will be paid if the any Savings Account maintains a balance below the minimum balance determined.
- There will not be any preferential rate paid on Savings accounts.
- You can visit our web site – www.softlogicfnace.lk for updated interest rates

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6. Nomination for Savings account

Should you require nominating someone for your Savings account that can be done at the time of opening the account or soon after. You will need to fill in the Nomination form with the details of the Nominee, percentage of nomination along with account details. Speak to one of our staff at the Branch you visit to assist you in this regard.

7. Cash deposits /Cheque Deposits

- In order to deposit cash to your respective account, you will need to fill in a deposit slip that is available at any softlogic finance branch and proceed to the teller counters for acceptance.
- A third party can also deposit cash to your account over the counters. In the case a third party makes a single or accumulated deposit exceeding LKR200,000.00, Softlogic finance PLC will obtain the name, address, identification number of the third party. It is important that the third party states the purpose and the source of funds in relation to the deposit.
- If it is a cheque deposit, the cheque should be drawn in favor of softlogic finance PLC and the amount will be credited on realization of the cheque

8. Cash withdrawals

- If you wish to make cash withdrawal from your respective Savings account through the Branch network, you will have to visit any of Softlogic finance branches, personally. Softlogic finance PLC will request for your National Identity Card or any other acceptable form of identification with a duly completed withdrawal slip.
- In the event of a joint savings account, where the signing instructions are "both to sign", the company will consider it a must that both parties are present at the Branch, to perform the transaction.
- If the operating instructions are "Either Party", the transaction could be carried out with the signature of one such party.
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- Third party cash withdrawals are not permitted on behalf of your account.
- If you are of ill –health and unable to sign the withdrawal slip, in addition to a witness, you are required to be attested by a doctor and he /she should confirm that you are able to understand the transaction and that you are in the normal frame of mind. In such instances, the withdrawal would be paid in the presence of the officers of Softlogic finance PLC.

9. Passbooks and Statements

- The current finance industry practice is as such that unless you have specifically requested for same, you will be offered statements on behalf of all your accounts.
- Passbooks will be provided upon your request and type of the account.
- You do not require bringing your passbook for cash deposits or withdrawals; however, the passbook needs to be presented for updating purposes.
- We promote statements to our customers and physical statements, you will receive the monthly /quarterly upon your request on the mandates to the address provided by you at the time of the account opening.

10. Charges /Fees

No charges apply for any transactions such as standing instructions, duplicate issuance of pass books, account closures etc.

Commercial Paper

1. Introduction

Commercial paper also called CP, is a short –term debt instrument issued by the company to raise funds generally for a time period up to one year.

2. Who can invest for commercial Paper?

Commercial paper also called CP, is a short –term debt instrument issued by the company to raise funds generally for a time period up to one year.

- Sri Lankan nationals over 18 years and under 18 are not eligible for accepting deposits either individually or jointly.
- Non -nationals holding a Valid resident VISA and Dual citizenship
- No deposits can be accepted from foreign citizen either jointly or individually.

3. Method of fund

- Following method can be used to route your funds for the purpose of the investments of the commercial paper
- Bank cheque to be drawn on account of "SOFTLOGIC FINANCE PLC "
- Direct Deposits (SLIPS/CEFT /RTGS) with the reference of the investor's NIC No or any other identification that can be accepted to SF PLC

Fund for your commercial paper investments can be routed through a combination of the above methods if required. But the commercial paper account will be activated only the total value of the investment is realized.

4. Unique Product features of a commercial paper

- Minimum investment value of a commercial paper is Rs.1.0Mn
- Investment period from 01 month to a maximum 12 months (365 days basis)
- No maximum limitation of the capital amount to be invested.
- You will be issued a commercial paper Certificate which is not negotiable and transferrable instrument.

5. Interest and interest payments

The interest rates applied to your commercial paper investment is fixed by the SF PLC according to the prevailing market rates and policy rate carried out by Central Bank from time to time.

Interest will be calculated based on 365 days and Interest can be paid at maturity.

6. Withholding Tax (WHT) and Advance Income Tax (AIT) on interest

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7. Cancellation

The Company on request from the investor, at its discretion, may allow withdrawal of commercial paper before completion of the period of the commercial paper. The Company shall pay the capital amount for premature withdrawal of commercial paper.

CP cancellation will be proceed based on your request to the following mode of pay outs

1. CEFT /SLIPs Transfer to any other bank
2. Softlogic finance savings account transfers
3. Account payee cheques

8. Charges and Fees

There are no charges directly applicable on investing CPs. Investments are conducted at rates published by SF PLC time to time.



Softlogic Finance PLC

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