

- (7) by the insertion immediately after the definition of the expression “local authority” of the following:-

““Minister” means the Minister assigned the subject of Finance in terms of Article 44 or 45 of the Constitution;”;

- (8) by the insertion immediately after the definition of the expression “Monetary Board” of the following:-

““non-financial subsidiary” means a subsidiary of a licensed commercial bank or a licensed specialised bank which carries out the business other than the business of a ‘financial sector participant’ as defined in the Central Bank of Sri Lanka Act, No.16 of 2023;”;

- (9) by the insertion immediately after the definition of the expression “non-resident” of the following:-

““offshore banking business” means the provision of banking business by a licensed commercial bank in any designated foreign currency to non-residents, and to certain residents as may be determined by the Central Bank, from time to time;

“physical presence” means meaningful mind and management located within a country and does not include simple or mere existence of a local agent or low-level staff of such country; ”;

- (10) by the insertion immediately after the definition “resident” of the following: -

““shareholder” shall have the same meaning as given in the Companies Act, No. 07 of 2007;

“shell bank” means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a financial group that is subject to effective consolidated supervision;”;

- (11) in the definition of the expression “substantial interest” by the substitution for the words “on behalf of such firm.” of the words “on behalf of such firm;”;
- (12) by the addition immediately after the definition of the expression “substantial interest” of the following: -

““unlawful activity” shall have the same meaning as given in the Prevention of Money Laundering Act, No. 5 of 2006.”

Amendment of  
Schedule II of  
the principal  
enactment

**47.** Schedule II of the principal enactment is hereby amended as follows:-

- (1) in item (z) thereof, by the substitution for the words “to the buyer.” of the words “to the buyer;”;
- (2) by the addition immediately after item (z), the following:-

“(aa) conducting offshore banking business.”.

**48.** Notwithstanding the repeal of subsection (3c) of section 76M of the principal enactment by this Act, any Scheme formulated by the Monetary Board under subsection (3c) of that section shall continue to be in force until the liabilities of depositors and creditors of the defaulting bank referred to in that subsection are settled in full in accordance with the terms and conditions of such Scheme.

Special provision relating to the Schemes formulated by the Monetary Board under section 76M

**49.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

