

Amendment of
section 47 of the
principal
enactment

28. Section 47 of the principal enactment is hereby amended as follows:-

- (1) by the repeal of subsection (1) thereof;
- (2) by the insertion, immediately after subsection (11A) thereof, of the following:-

“(11B) The provisions of subsections (3), (4), (5), (6), (7), (11) and (11A) shall apply to the following persons, and such persons shall comply with such provisions:-

- (a) a chief executive officer or an officer performing executive functions of a licensed commercial bank in respect of any accommodation granted other than an accommodation granted to such officer under a scheme applicable to the employees of such bank;
- (b) a shareholder of a licensed commercial bank having material interest, whether individual or a concern;
- (c) a subsidiary or an associate company of the licensed commercial bank;
- (d) a holding company of the licensed commercial bank including its subsidiaries, excluding the parent bank and subsidiaries of a bank incorporated outside Sri Lanka;
- (e) a director of a subsidiary or an associate company of the licensed commercial bank and a director of a holding company and its subsidiaries;

- (f) a close relation of a person specified in paragraphs (a) and (b);
- (g) a concern, whose director or partner is a director of such bank; and
- (h) a concern in which a material shareholder of a licensed commercial bank or any of his close relations has substantial interest.

(11C) Any person referred to in subsection (11B) who contravenes the provisions of subsection (3), (4), (5), (6), (7), (11) or (11A) commits an offence under this Act.”;

- (3) by the insertion, immediately after subsection (13) of the following:-

“(14) (a) The Central Bank may require a licensed commercial bank to deduct the amount of any accommodation granted by such bank in excess of the limits specified in subsection (4), to any related party for the purposes of calculating the regulatory capital ratios under subsection (7) of section 19 or require such excess to be secured by such security as directed by the Central Bank.

(b) The minimum period of time that the Central Bank may afford to a licensed commercial bank to comply with the provisions of paragraph (a) shall be a period of twelve months or such other period as may be determined by the Central Bank, which in any case shall not exceed a period of three years.”.