

to the suitability of the company or the proposed company and in particular —

- (i) the validity and acceptability of the documents and particulars submitted by the applicant;
- (ii) the financial status and history of the company or the proposed company;
- (iii) the financial standing, experience and suitability of the Directors, Chief Executive Officer and such other officers of the company performing executive functions as may be determined by the Monetary Board or the persons proposed to be appointed to such positions in the proposed company, as the case may be;
- (iv) of the adequacy of the capital of the company or based on the information furnished by the applicant on behalf of the proposed company, the ability of the proposed company to raise adequate capital;
- (v) of the ability of the company or the proposed company to cover all obligations and liabilities incurred in the conduct of business in Sri Lanka and to comply with the provisions of the Act;
- (vi) the applicant's compliance with the provisions of the Act or any directions given under the Act in relation to the application for a licence under the Act.

(11) Any person who submits information or particulars in an application for a licence or in any other document submitted in connection therewith or in the course of any inquiry or investigation conducted to ascertain the suitability of the company or the proposed company to be issued with a licence under this Act, which to the knowledge of the person is false or misleading in any material particular, shall be guilty of an offence under this Act.

4 (1) The Monetary Board may require any company or body corporate incorporated outside Sri Lanka, which has applied for a licence under section 3, to undertake to remit to Sri Lanka, prior to the commencement of their business in Sri Lanka, a sum of money, determined with the approval of the Minister, in United States Dollars, or its equivalent in any designated foreign currency. The amount so remitted may form part of the assigned capital of such company or incorporated body and shall be kept as a deposit with the Central Bank or in such other manner as may be determined from time to time by the Monetary Board.

(2) The Monetary Board may, where such Board considers it necessary or expedient to do so in the interest of national economy, from time to time, make further determinations as regards the remittance of money after the expiry of a period of six months from the date of the last of such determinations.

(3) A determination made under this section shall apply uniformly to all companies and bodies corporate incorporated outside Sri Lanka, which apply for a licence after each such determination.

Issue of licence.

5 (1) Where the Monetary Board is satisfied that a licence may be issued to a company or a proposed company to carry on banking business, it may, with the approval of the Minister, issue a licence to the company or proposed company to carry on banking business in Sri Lanka subject to such terms and conditions as may be imposed by the Monetary Board.

(2) The licence issued under subsection (1) shall specify—

- (a) whether it authorizes the company to carry on domestic banking business or off-shore banking business or both such businesses;
- (b) the place or places or the area within which such banking business may be carried on; and
- (c) the terms and conditions subject to which such licence is issued.

(3) Every licensed commercial bank shall display a copy of the licence issued to it under subsection (1) in a conspicuous place at its principal place of business in Sri Lanka and each of its branches.

Limits imposed on all licensed commercial banks.

6. Subject to the provisions of section 17, no licensed commercial bank shall—

- (a) carry on any banking business other than the business specified in the licence; or
- (b) carry on any other form of business other than those specified in Schedule II to this Act.

Bank of Ceylon, People's Bank &c., not to be restricted by preceding provisions in the exercise of powers

7. Nothing contained in the provisions of section 6 shall be construed so as to restrict the Bank of Ceylon or the People's Bank, established under the Bank of Ceylon Ordinance (Chapter 397), the Peoples Bank Act, No. 29 of 1961, respectively and any Regional Rural Development Bank established under the Regional Rural Development Bank Act, No. 15 of 1985, in the exercise of the powers conferred on each such bank by and under the aforesaid statutes applicable to each of such banks, respectively.

Payment of licence fee

8 (1) Every licensed commercial bank shall pay to the Central Bank an annual licence fee as may be determined by the Monetary Board, having regard to the different classes of banking business carried on by such bank.

(2) The Monetary Board shall inform each such licensed commercial bank the amount payable as licence fee, and the manner in which such fee shall be paid.

(3) Where a licence fee is determined in respect of classes of banking business such fee shall apply to all banks carrying on such classes of business.