

(7) Any funds deposited under subsection (6), which is not claimed by the owner within a period of ten years after the date of the final distribution to the depositors or creditors of the licensed bank under this section, shall be deemed to be abandoned property under the Banking Act.

(8) After all the disputed claims have been either approved or rejected by the court and all possible payments on approved claims have been made, and all amounts that could not be paid have been deposited under subsection (6), any remaining net proceeds of the winding up shall be –

- (a) distributed among all shareholders of the licensed bank subject to winding up *pro rata* to the nominal value of their respective share holdings, subject only to preferences among classes of shareholders;
- (b) paid to the Government where the licensed bank subject to winding up is a public corporation; or
- (c) paid to a head office of the licensed bank subject to winding up, incorporated outside Sri Lanka.

**87.** (1) The winding up proceedings may be commenced against a licensed bank incorporated or established outside Sri Lanka -

Winding up  
proceedings  
concerning a  
licensed bank  
incorporated or  
established  
outside Sri  
Lanka

- (a) if such licensed bank wishes to close down its business in Sri Lanka with the prior written approval of the Central Bank, subject to such terms and conditions as the Central Bank may specify;
- (b) if any of the grounds listed in section 66 applies to such licensed bank as if it were a separate legal person; or

- (c) on the petition by the Central Bank, if the winding up proceedings have commenced against the licensed bank in the country in which such licensed bank is incorporated or established or where such licensed bank principally carries on its business.

(2) The provisions of this Part of this Act relating to the winding up of a licensed bank shall apply to the winding up of a licensed bank incorporated or established outside Sri Lanka, as they apply to a licensed bank incorporated in Sri Lanka.

(3) All assets, liabilities, acts and omissions of the licensed bank subject to winding up incorporated or established outside Sri Lanka resulting from, or otherwise relating to, the business carried out by such licensed bank in Sri Lanka shall be attributed to that licensed bank when applying the provisions of this section.

(4) The liquidator shall be authorized to take all actions with respect to such licensed bank as could be taken, as if such licensed bank was a licensed bank incorporated in Sri Lanka.

(5) At the time when the order of the court to commence winding up proceedings against a licensed bank incorporated or established outside Sri Lanka is served, such licensed bank shall cease all its activities carried out in Sri Lanka, except for permissible activities carried out by it with the prior written approval of the liquidator.

(6) In the application of the provisions of this Part of this Act in winding up proceedings against a licensed bank incorporated or established outside Sri Lanka, only the provisions of section 83 shall apply to the setting off and netting of obligations resulting from, or otherwise relating to, the business of such licensed bank in Sri Lanka.

(7) The liquidator shall take all measures necessary to ensure that no assets owned by the licensed bank subject to winding up incorporated or established outside Sri Lanka, are removed from Sri Lanka until all obligations and liabilities incurred by such licensed bank, to which the undertaking given by such licensed bank to the Central Bank at the time of obtaining the licence to carry on banking business under the Banking Act, have been met in accordance with such undertaking.

**88.** (1) Upon completion of the winding up, the liquidator shall prepare and submit to the court for its approval, an audited statement of accounts and a report of winding up of the licensed bank, together with an opinion of an external auditor.

Termination of  
winding up  
proceedings and  
revocation of  
licence

(2) The audit referred to in subsection (1) shall be conducted by an external auditor appointed by the Central Bank in consultation with the Auditor- General.

(3) The external auditor shall be paid a remuneration out of the assets of the licensed bank.

(4) The external auditor's opinion referred to in subsection (1) shall state-

- (a) whether the statement of accounts of the liquidator is true and fair and has been properly drawn up;
- (b) whether the statement of accounts of the liquidator exhibits a true and correct statement of the dealings of the liquidator with the assets of the licensed bank;
- (c) where such external auditor has called for any explanation or information from the liquidator, whether the explanation or information provided by the liquidator is satisfactory; and

(d) whether the liquidator has acted in accordance with the directions given by the Central Bank.

(5) The court may approve the audited statement of accounts and the report of winding up and direct the liquidator to deposit the books and records of the licensed bank and other documents relating to the winding up in a place as the court may deem appropriate.

(6) Upon the receipt of the approval under subsection (5), the liquidator shall publish a notice of such approval for the information of the public at least in three Sinhala, Tamil, and English daily newspapers circulating in Sri Lanka.

(7) (a) Upon the publication of the notice of approval under subsection (6), if such notice relates to a company registered under the provisions of the Companies Act, the liquidator shall inform the Registrar-General of Companies to strike-off the name of the company from the register maintained by the Registrar-General of Companies under the provisions of the Companies Act.

(b) Thereupon, the Registrar-General of Companies shall strike off the name of such company from the register and publish a notice to that effect in at least three Sinhala, Tamil and English daily newspapers circulating in Sri Lanka.

(8) From the date of publication of a notice striking off the name of a company under subsection (7), the proceedings of winding up against the licensed bank shall terminate, and the company shall stand dissolved.

(9) The approval by the court of the audited statement of accounts and the report of winding up discharges and relieves the liquidator from any liability in connection with the winding up of the licensed bank.