

made under that Article relating to the hearing of applications by way of revision to the Court of Appeal, shall apply to every appeal made under this section.

(6) The Court of Appeal may on appeal made to it under subsection (4) confirm, reverse, modify or set aside the decision against which the appeal is made and may make any other order as the interests of justice may require.

(7) Without prejudice to subsection (1), the Monetary Board may, where it is satisfied that any licensed commercial bank incorporated outside Sri Lanka has had its licence or authority to operate in the country in which such bank was incorporated cancelled or withdrawn by the appropriate authority or regulatory body of that country, cancel the license issued to the bank under this Part and shall notify the bank accordingly.

(8) (a) A cancellation of a licence of a licensed commercial bank under subsection (3) shall take effect—

- (i) where the bank does not prefer an appeal against such cancellation under subsection (4), on the expiration of the period for tendering such appeal; or
- (ii) where an appeal has been preferred against such cancellation, on the confirmation of the decision of the Monetary Board by the Court of Appeal or the Supreme Court, as the case may be;

(b) A cancellation of a license of a licensed commercial bank under subsection (7), shall take effect from the date of the receipt by the bank of the notification under that subsection.

(9) Where a cancellation of a licence of a licensed commercial bank has taken effect under paragraph (a) or paragraph (b) of subsection (8), the Monetary Board shall, as soon as possible publish once in the Gazette in Sinhala, Tamil and English languages and once in a Sinhala, Tamil and English daily newspaper circulating in Sri Lanka, a notification of the cancellation of such licence.

Directions of Board where notice of cancellation is issued.

**10.** (1) Where notice for the cancellation of a license has been issued by the Monetary Board under subsection (1) of section 9, the Board may give directions to the licensed commercial bank—

- (a) prohibiting it from dealing with or disposing of its assets in any manner specified in such direction;
- (b) prohibiting it from entering into any transaction or class of transactions so specified; or
- (c) prohibiting it from soliciting deposits.

(2) Whereas a licensed commercial bank has failed to comply with the directions issued under subsection (1) the Monetary Board may further direct—

- (a) such bank to forthwith suspend its business within Sri Lanka, and, in the case of a bank incorporated or established in Sri Lanka, its business within and outside Sri Lanka; and
- (b) the Director of Bank Supervision to take action to take charge of its business and of its books, records, and assets, and it shall be lawful for the Director of Bank Supervision to take such steps as are necessary for him to comply with the directive of the Monetary Board.

(3) Where the Director of Bank Supervision takes charge of all books, records and assets under subsection (2) and the Monetary Board withdraws the cancellation unconditionally, the Monetary Board shall direct the Director of Bank Supervision to deliver forthwith to such bank the books, records and assets taken into his custody.

(4) Notwithstanding anything in any written law for the time being in force, no action or proceedings may be instituted by any licensed commercial bank in any court in respect of any directions given *bona fide* under this section, and any loss or damage incurred or likely to be incurred or alleged to be incurred by reason of any such direction.

Commercial bank to  
suspend  
business

**11** (1) Where a licence of a licensed commercial bank is cancelled, the Monetary Board shall direct the licensed commercial bank forthwith to suspend its business in Sri Lanka and, in the case of a licensed commercial bank incorporated or established within Sri Lanka, the business both within and outside Sri Lanka, and shall also direct the Director of Bank Supervision to take charge of its business and its books, records and assets and to take such steps as may be necessary to prevent the continuance of the business of banking by such bank. It shall be lawful for the Director of Bank Supervision to take such action, as he may deem necessary to comply with the directive of the Monetary Board.

[ § 6, 2 of 2005.]

(2) Where the cancellation of a licence of a licensed commercial bank incorporated or established within Sri Lanka by or under any written law for the time being in force, has taken effect under paragraph (a) of subsection (8) of section 9, proceedings for the compulsory winding-up of the licensed commercial bank shall commence in accordance with the provisions of Part VIII of this Act.

[ § 6, 2 of 2005.]

(3) Where the cancellation of a licence of a licensed commercial bank incorporated outside Sri Lanka has taken effect under paragraph (a) or paragraph (b) of subsection (8) of section 9, the Director of Bank Supervision shall forthwith inform the head office of such bank to honour the written undertaking submitted under paragraph (a) of subsection (2) of section 3 and take such steps as may be necessary to enforce such undertaking and to close down the business of the bank in and with respect to Sri Lanka, in accordance with the provisions of Part VIII of this Act.

(4) Notwithstanding the provisions of section 9 or any other written law for the time being in force, the Monetary Board may, in any of the circumstances referred to in paragraphs (a) to (g) of subsection (1) of section 9 without proceeding to