

Banking Act No. 30 of 1988

[§ 2, 33 of 1995.]

Acts
Nos. 30 of 1988,
39 of 1990
33 of 1995.
2 of 2005
15 of 2006

AN ACT TO PROVIDE FOR THE INTRODUCTION AND OPERATION OF A PROCEDURE FOR THE LICENSING OF PERSONS CARRYING ON BANKING BUSINESS AND OF CARRYING ON THE BUSINESS OF ACCEPTING DEPOSITS AND INVESTING SUCH MONEY; FOR THE REGULATION AND CONTROL OF MATTERS RELATING TO SUCH BUSINESS; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[*Act No. 30 of 1988 – 25th August, 1988*]
[*Act No. 39 of 1990 – 12th November, 1990*]
[*Act No. 33 of 1995 – 19th December, 1995*]
[*Act No. 2 of 2005 – 10th February, 2005*]
[*Act No 15 of 2006-31ST March, 2006*]
[*Act No 46 of 2006- 30th November, 2006*]

Be it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

Short title and date of operation

[* 16th September, 1988]

1. (1) This Act may be cited as the Banking Act, No. 30 of 1988.

(2) The provisions of this Act other than Part V shall come into operation on such date*as may be appointed by the Minister by Order published in the Gazette (hereinafter referred to as the “appointed date”).

[*20th September 1988]

(3) The provisions of Part V of this Act shall come into operation on such later date* as may be appointed by the Minister by Order published in the *Gazette*.

PART I

LICENSING OF PERSONS CARRYING ON BANKING BUSINESS

Licensing of banks.

2. (1) On or after the appointed date, no banking business shall be carried on except by a company under the authority of a licence issued by the Monetary Board with the approval of the Minister.

(2) Where such company is a company incorporated outside Sri Lanka no licence shall be issued unless such company has complied with the provisions of Part XIII of the Companies Act No. 17 of 1982.

(3) Any company, which has been issued a licence under the provisions of this Part, shall, hereinafter, be referred to as a “ licensed commercial bank ” (4) Notwithstanding the provisions of subsections (1) and (2) of this section and of section 3 of this Act, all commercial banks specified in Schedule I to this Act, which on the appointed date are carrying on banking business, shall be issued a licence in accordance with the provisions of this Act.

(5) Any company, which carries on banking business in contravention of subsection (1), shall be guilty of an offence under this Act.

[§ 3, 33 of 1995.]

(6) For the purpose of this section “ company “ shall have the same meaning as in section 449 of the Companies Act No. 17 of 1982, and including a company duly incorporated outside Sri Lanka, or a body corporate formed in pursuance of any statute of any foreign country, Royal Charter or letters patent and a body corporate established by or under any written law and shall not include the Central Bank or a private company incorporated outside Sri Lanka except the banks specified in Schedule I to this Act.

Application for a
licence.

[§ 3, 2 of 2005]

3. (1) an application for a licence shall be made in writing to the Monetary Board in such manner as may be determined by the Monetary Board.

(2) Every application for a licence shall be accompanied by—

(a) in the case of a company to be formed for the purpose of carrying on banking business—

- (i) a copy of the draft Articles of Association of the company to be formed or the draft Constitution or any other document associated with the formation of such company and
- (ii) a statement containing the names, addresses, occupations and qualifications of the persons proposed as Directors, and if a Chief Executive Officer has been identified, of such officer;

(b) in the case of a company formed before the date of the application and which intends to commence banking business—

- (i) a copy of the Articles of Association of such company or the Constitution or any other document associated with the formation of such company, together with the proposed amendments, if any, to such documents; and
- (ii) a statement containing the names, addresses, occupations and qualifications of the Directors of the company and any Directors proposed to be nominated or appointed and of the Chief Executive Officer of such company;

(iii) a copy of the audited balance sheet and profit and loss account of the company for the preceding three years;

(c) in the case of an application by a company or body corporate incorporated outside Sri Lanka, such company shall in addition to the documents specified in paragraph (b) submit—

- (i) a written undertaking supported by a resolution of the Board of Directors of such company or body corporate, stating that such