



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**MONETARY LAW (AMENDMENT)
ACT, No. 7 OF 1988**

[Certified on 24th March, 1988]

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Monetary Law (Amendment) Act, No. 7 of 1988

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L.D.—O. 10/87.

AN ACT TO AMEND THE MONETARY LAW ACT

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Monetary Law (Amendment) Act, No. 7 of 1988. Short title.

2. Section 10 of the Monetary Law Act (hereinafter referred to as the “principal enactment”), is hereby amended by the insertion, immediately after paragraph (b) of that section of the following paragraph:— Amendment
of section
10 of
Chapter 422

“(bb) may, notwithstanding the provisions of paragraph (c) of section 117, grant loans and advances, for housing purposes, to officers and servants of the Central Bank on the mortgage of, or otherwise on the security of, immovable property;”.

3. Section 23 of the principal enactment is hereby amended as follows:— Amendment
of section
23 of
the
principal
enactment.

(a) by the insertion immediately after subsection (1) of that section, of the following:—

“Nothing in paragraph (b) or (c) shall be held to disqualify an officer or servant of the Central Bank who has been temporarily released to serve in any office or position for which salary or remuneration is payable out of public funds or who is a director of any banking institution which is a public corporation, for appointment as a Deputy Governor.”;

(b) in subsection (2) of that section, by the substitution for paragraph (d) thereof, of the following paragraph:—

“(d) if, in the opinion of the board, he has failed to carry out his duties:

Provided that nothing in this subsection shall be held to empower the Monetary Board, with the concurrence of the Minister, to remove from office, any Deputy Governor who has been temporarily released, under subsection (3) to serve in any office

or position for which salary or other remuneration is payable out of public funds or to serve with a banking institution which is a public corporation, as a Director of that banking institution by reason only of the fact that such Deputy Governor holds such office or position or is such Director.”;

(c) by the addition immediately after subsection (2) of that section of the following subsection:—

“(3) The Monetary Board may, with the concurrence of the Minister, temporarily release a Deputy Governor to—

(a) serve in an office or position for which a salary or other remuneration is payable out of public funds;

(b) serve with a banking institution, which is a public corporation, as a Director of that banking institution,

on such terms as may be determined by the Monetary Board, with like concurrence.

For the purposes of this section, “public corporation” shall have the same meaning as in Article 170 of the Constitution.”.

Insertion
of new
section 120 A
in the
principal
enactment.

4. The following new section is hereby inserted immediately after section 120 of the principal enactment and shall have effect as section 120A of that enactment:—

“Release of
officers
and servants
of the
Central Bank.

120A. The Monetary Board may, subject to the provisions of subsection (3) of section 23, at the request of the Government or otherwise temporarily release any officer or servant of the Central Bank, with the consent of such officer or servant to serve in any office or position outside the Central Bank, on such terms and conditions as may be determined by the Monetary Board.”.