



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

**REGIONAL
RURAL DEVELOPMENT BANKS
ACT, No. 15 OF 1985**

(Certified on 10th April, 1985)

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*Regional Rural Development Banks
Act, No. 15 of 1985*

[Certified on 10th April, 1985]

L.D.—O 63/83

AN ACT TO ENABLE THE MONETARY BOARD OF THE CENTRAL BANK TO ESTABLISH REGIONAL RURAL DEVELOPMENT BANKS WITH A VIEW TO DEVELOPING THE RURAL ECONOMY BY PROVIDING, FOR THE DEVELOPMENT OF AGRICULTURE, COTTAGE AND SMALL-SCALE INDUSTRY, FISHING INDUSTRY, COMMERCE AND OTHER DEVELOPMENT ACTIVITIES IN RURAL AREAS; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

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

1. This Act may be cited as the Regional Rural Development Banks Act, No. 15 of 1985.

Short title.

PART I

ESTABLISHMENT OF REGIONAL RURAL DEVELOPMENT BANKS

2. (1) Where the Monetary Board of the Central Bank (hereinafter referred to as "the Monetary Board") considers it necessary that one or more than one Regional Rural Development Bank (hereinafter referred to as "the Bank") be established for the purpose of developing the rural economy by providing for the development of agriculture, cottage and small-scale industry, fishing industry, commerce and other development activities in rural areas, the Monetary Board may by Order (hereinafter referred to as the "Incorporation Order") published in the *Gazette*—

Incorporation Order for establishment of a Regional Rural Development Bank.

(a) declare that the Bank be established for the purpose of developing the rural economy by providing for the development of agriculture, cottage and small-scale industry, fishing industry, commerce and other development activities in rural areas;

(b) assign a corporate name to the Bank;

(c) state the area within which the Bank shall operate;

(d) state the principal place of business of the Bank;

(e) fix a date on which the Bank shall commence business; and

(f) state the names of the persons appointed under section 8 as the first members of the Board of Directors of the Bank.

(2) Every Bank shall, by the name assigned to it by the Incorporation Order be a body corporate and shall have perpetual succession and a common seal, and may sue and be sued in such name.

Principal
place of
business,
branches and
agencies of
the Bank.

3. (1) The principal place of business of the Bank, shall be as specified in the Incorporation Order.

(2) The Bank may where the Board of Directors considers it necessary so to do, establish its branches and agencies at any place within the area specified in the Incorporation Order.

Objects of
the Bank.

4. The objects of the Bank shall be to promote agricultural, industrial, fisheries, commercial and other development activities within the area specified in the Incorporation Order.

Transaction
of business
of the Bank.

5. The Bank may carry on and transact banking business other than any foreign exchange operations.

Powers of
the Bank.

6. Subject to the provisions of this Act, in carrying out its objects the Bank may exercise all or any of the following powers:—

(a) to grant short term, medium term and long term loans and other accommodation particularly to farmers and agricultural labourers, whether individually or in groups, and to co-operative societies and marketing and processing societies for agricultural operations or other purposes relating to agriculture;

(b) to grant short term, medium term and long term loans and other accommodation to artisans and such other persons individually or in groups, who are engaged in cottage industries, fishing industry, commercial activity or other types of development activities which are of a small-scale in the opinion of the Board of Directors;

(c) to open, maintain and manage current, deposit, savings and other accounts;

(d) to discount, buy, sell and deal in bills of exchange, promissory notes, drafts, shares, debentures, certificate, scrip and other instruments and securities;

- (e) to negotiate loans and advances, to receive money, securities and valuables on deposit, or for safe custody ;
- (f) to collect and transmit money and securities ;
- (g) to manage property both movable and immovable and transact all kinds of agency business commonly transacted by bankers ;
- (h) to borrow or raise money in such manner as the Bank shall think fit, and to secure the prompt repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the property or assets of the Bank whether present or future, including its uncalled capital and, also by a similar mortgage, charge or lien to secure and guarantee the performance by the Bank of any obligation or liability it may undertake ;
- (i) to lend and advance money on securities and property and give credit to such persons, firms or companies on such terms as it may deem expedient either with or without security ;
- (j) to assist and promote the marketing and processing of agricultural produce and industrial products ;
- (k) to assist and promote the marketing of fish and the processing of fish products ;
- (l) to carry on the business of a pawn broker subject to such conditions as may be determined by the Monetary Board ;
- (m) to acquire or purchase any movable or immovable property or agricultural, industrial, fisheries, commercial or other enterprise and to manage or arrange for the management of such property or enterprise, and to sell or otherwise dispose of such property or enterprise ;
- (n) to undertake rural development projects which are of a small-scale, including pilot projects, in order to achieve the objectives of the Bank ;

- (o) to assist in promoting the development of rural areas by providing encouragement to such activities as tree planting as part of ecological reconstruction and the improvement of villages and generally to provide advisory assistance which serves the objectives of the Bank ;
- (p) to engage in and promote the construction of warehouses, godowns, stores and buildings in rural areas, required for agricultural, industrial, fisheries and commercial activities ;
- (q) to enter into any agreement with any banking institution or co-operative society, subject to guidelines formulated by the Board of Directors, for taking over any undertaking or project which is being financed by such banking institution or co-operative society or which is being carried on by such banking institution or co-operative society ;
- (r) to open deposit accounts in the Central Bank, any commercial bank or co-operative society or with the approval by the Monetary Board, in any bank or financial institution outside Sri Lanka ;
- (s) to lease, let on hire, sell outright, or sell on a hire purchase basis, warehouses, godowns, stores and buildings in rural areas and machinery, equipment and other goods ;
- (t) to purchase or acquire shares in co-operative, marketing and processing societies and other types of co-operative societies in order to provide infrastructural support to the lending operation of the Bank ;
- (u) to acquire in any manner whatsoever and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any immovable or movable property ;
- (v) to appoint such officers and servants as may be necessary for carrying out the work of the Bank ;
- (w) to establish a provident fund, and provide welfare and recreational facilities, and accommodation facilities, for persons employed by the Bank ;

- (x) to dismiss and exercise disciplinary control over the staff of the Bank ;
- (y) to fix the wages or salaries or other remuneration of the staff ;
- (z) to determine the terms and conditions of service of such staff ;
- (aa) to enter into and perform all such contracts, whether in or outside Sri Lanka, as may be necessary for the exercise of the powers and the performance of the duties of the Bank ;
- (bb) to make rules in relation to its officers and servants including the appointment, promotion, remuneration, disciplinary control and conduct and the grant of leave to them ;
- (cc) to make rules in respect of the administration of the affairs of the Bank ; and
- (dd) to do all things which, in the opinion of the Board, are necessary to facilitate the proper carrying on of the business of the Bank.

PART II

MANAGEMENT OF THE BANK

7. (1) The management and administration of the affairs and business of the Bank shall vest in the Board of Directors (hereinafter referred to as "the Board").

Management

(2) The Board may exercise, all the powers of the Bank under this Act or any other law, and do all acts and things which may be done by the Bank under this Act.

(3) The Board shall in exercising its powers act on sound business principles and have due regard to the interests of rural development.

8. (1) The Board shall consist of —

**Constitution
of the Board**

- (a) three Directors appointed by the Monetary Board with the concurrence of the Minister ;
- (b) two Directors appointed or elected as provided in subsection (3).

(2) The Monetary Board shall, with the concurrence of the Minister, appoint a Chairman from among the Directors appointed under paragraph (a) of subsection (1) of this section.

(3) The Monetary Board shall, with the concurrence of the Minister, appoint the two Directors referred to in paragraph (b) of subsection (1) to hold office in the first instance for a period of two years or until the transfer of shares of the Bank as provided in section 20, whichever is later and thereafter the general body of the Bank shall elect two Directors to represent the shareholders other than the Central Bank from among persons having such qualifications and in accordance with such procedure as may be determined by the Monetary Board.

(4) Subject to the provisions of subsection (5), the term of office of a Director other than the Directors appointed in the first instance under subsection (3) shall be five years.

(5) Where any Director vacates his office prior to the expiration of his term of office, the Monetary Board shall with the concurrence of the Minister or the general body of the Bank, as the case may be, appoint or elect a successor to hold office, for the unexpired portion of the term of office of such Director.

(6) The Monetary Board may with the concurrence of the Minister remove from office any Director appointed by such Board.

(7) A Director vacating his office by effluxion of time may be re-appointed or re-elected.

(8) A Director elected by the general body of the Bank under subsection (3) shall vacate his office if a motion of no confidence is passed at a meeting of the general body of the Bank by a majority of the members present and voting on such motion and his successor shall be elected for the unexpired portion of the term of office of such Director.

(9) Any Director may resign his office by letter addressed to the Monetary Board.

(10) Where any Director is by reason of illness or other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Monetary Board may, with the concurrence of the Minister, or the general body of the Bank, as the case may be, appoint or elect a suitable person to act as his alternate at Board meetings and such person shall have the right to vote thereat.

9. No person shall be qualified for being appointed or elected as a Director or for continuing as a Director if he —

- (a) is a Member of Parliament or a Member of any District Development Council, or of any local authority; or
- (b) is, under any law in force in Sri Lanka, found or declared to be of unsound mind; or
- (c) is a person who, having been declared an insolvent or a bankrupt under any law in force in Sri Lanka or any other country is an undischarged insolvent or bankrupt; or
- (d) is convicted of an offence involving moral turpitude and punishable with imprisonment for a term not less than six months.

Disquali-
fications for
being
**appointed or
elected or
continuing as
a member.**

10. (1) If the Chairman is by reason of illness, infirmity or absence from Sri Lanka temporarily unable to perform the duties of his office, the Monetary Board may, with the concurrence of the Minister, appoint another Director to act in his place.

Chairman
of the
Board.

(2) The Monetary Board may with the concurrence of the Minister without assigning any reason, terminate the appointment of the Chairman of the Board and such termination shall not be called in question in any court.

(3) The Chairman may resign from his office by letter addressed to the Monetary Board.

(4) Subject to the provisions of subsections (2) and (3) the term of office of the Chairman shall be his period of membership of the Board.

11. The Directors may be paid such remuneration out of the funds of the Bank as may be determined by the Monetary Board.

Remunera-
tion of
Directors.

12. A Director who is directly or indirectly interested in a contract proposed to be made by the Bank shall disclose the nature of his interest at a meeting of the Board of Directors. The disclosure shall be recorded in the minutes of such Board, and that Director shall not take part in any deliberation or decision of such Board with respect to such contract.

Director to
disclose
interest in
contract
proposed to
be made by
the Bank.

Meetings of
the Board,
quorum and
regulation
of procedure.

13. (1) The Chairman of the Board shall, if present preside at every meeting of the Board. In the absence of the Chairman from any such meeting, the Directors present shall elect one of the Directors present, to preside at such meeting.

(2) The quorum for any meeting of the Board shall be three members.

(3) The person presiding at any meeting of the Board shall, in addition to his own vote, have a casting vote.

(4) Subject to the provisions of subsections (2) and (3) the Board may regulate the procedure in regard to the meeting of the Board and the transaction of business at such meeting.

Acts of the
Board not
to be
invalid by
reason of
any
vacancy.

14. No act or proceeding of the Board shall be invalid by reason only of the existence of any vacancy among the Directors, or any defect in the appointment or election of a Director.

Delegation
of powers
and duties
of the Board

15. (1) The Board may delegate to the Chairman or any other employee of the Bank any of its powers and duties.

(2) Every person to whom any power or duty is delegated under subsection (1) shall exercise or perform such power or duty delegated to him subject to the general or special directions of the Board.

Seal of the
Bank.

16. (1) The seal of the Bank shall be in the custody of the Chairman or any other officer authorized by him.

(2) The seal of the Bank may be altered in such manner as may be determined by the Board.

(3) The seal of the Bank shall not be affixed to any instrument except in the presence of two Directors of the Board both of whom shall sign the instrument in token of their presence.

General
body of the
Bank.

17. (1) On or after the diffusion of the shareholding of the Central Bank under section 20, there shall be a general body of the Bank consisting of twelve persons nominated by commercial banks incorporated or established in Sri Lanka under any written law, or elected, by co-operative societies which are shareholders of the Bank to represent such banks and societies in the general body of the Bank.

(2) The Board may determine—

- (a) having regard to the shareholding the number of persons who may be nominated by such commercial banks or elected by co-operative societies under subsection (1) of this section ;
- (b) the qualifications required, for persons to be so nominated or elected ; and
- (c) the procedure to be followed in the election of such persons to the general body of the Bank.

(3) The general body of the Bank shall not be disqualified from performing the functions vested in it by this Act by reason any of the existence of any vacancy among its members.

18 The Bank may promote and sponsor training of banking and technical personnel, farmers and artisans and other persons engaged in allied activities individually or in groups or through co-operative societies in the subjects of agriculture, industry, commerce, fishing industry, trade and other development activities, and for these purposes the Bank is authorized to defray the costs incurred in that regard.

Training of
banking and
technical
personnel.

PART III

FINANCE

19. The authorized share capital of the Bank shall be fifty million rupees divided into five hundred thousand shares of one hundred rupees each.

Capital of
the Bank.

20. (1) Subject to subsection (7) the issued capital of the Bank for the time being shall be ten million rupees.

Contribu-
tions to the
capital of the
Bank.

(2) The issued capital of the Bank shall be subscribed to by the Central Bank in full.

(3) The Central Bank may, after a period of two years from the date of incorporation, offer shares upto forty nine *per centum* of the issued capital to commercial banks incorporated or established in Sri Lanka under any written law and to co-operative societies.

(4) The maximum shareholding held by the co-operative societies in the aggregate shall be limited to ten *per centum* of the issued capital of the Bank.

(5) No shareholder of the Bank which is a commercial bank incorporated or established in Sri Lanka under any written law or a co-operative society shall alienate the shares owned by it in any manner whatsoever to any person other than a shareholder of the Bank.

(6) Any alienation in contravention of subsection (5) shall be null and void.

(7) The issued capital of the Bank may be increased by the Monetary Board and where additional capital is issued, such capital shall also be subscribed in the same manner as specified in subsections (3) and (4) of this section.

For the purposes of this section and section 17, commercial bank incorporated or established in Sri Lanka means the Bank of Ceylon established by the Bank of Ceylon Ordinance, People's Bank established by the People's Bank Act, No. 29 of 1961, the Hatton National Bank Limited and the Commercial Bank of Ceylon Limited incorporated under the Companies Ordinance. (Chapter 145).

Grant from
the Central
Bank.

21. The Central Bank shall, allocate a sum decided upon by the Monetary Board by way of an outright grant to meet the initial expenditure in relation to the establishment of the Bank as soon as it is incorporated.

Temporary
borrowings
from the
Central
Bank.

22. (1) The Bank may, from time to time, borrow sums of money from the Central Bank for periods not exceeding six months, subject to such terms and conditions as to the interest thereon and the repayment thereof as may be determined by the Monetary Board.

(2) Borrowings by the Bank under subsection (1) shall at no time exceed a sum equivalent to ten *per centum* of the paid-up capital and free reserves of the Bank.

Borrowings
from the
Government.

23. The Bank may, from time to time, borrow from the Government, with the prior approval of the Monetary Board and the Government may, from time to time, lend to the Bank through the Central Bank from the Consolidated Fund any sum of money approved by Parliament subject to such terms and conditions as may be determined by the Government.

24. The Bank may, with the prior approval of the Monetary Board from time to time, borrow from any foreign Government, or any other source whatsoever outside Sri Lanka, any sum of money on such terms and conditions as to the interest thereon and the repayment thereof as may be determined by agreement between the Monetary Board, and such foreign Government or such other source, as the case may be.

Borrowings
from
foreign
Governments
&c.

25. The Bank shall establish a General Reserve Fund and shall credit to such Fund every year a percentage of its annual profits determined by the Board.

General
Reserve
Fund.

26. The Bank shall establish a Special Reserve Fund for bad and doubtful debts and shall credit to such Fund every year a percentage of its annual profits as may be determined by the Board.

Special
Reserve
Fund.

27. The Bank may establish, maintain, manage and control a Fund to be called a "Staff Development Fund" to enable the Bank to meet the expenditure incurred by the Board in securing specialised services and such expenditure incidental thereto and may from time to time, transfer to the Fund, out of the resources of the Bank, such sums of money as it may deem necessary to discharge the functions for which such a Fund is established.

Staff Deve-
lopment
Fund.

28. (1) The Bank shall establish a Fund to accept grants or donations, from local or foreign organizations which shall be known as the "Special Resources Fund" (in this section referred to as "the Fund"). The Fund shall not form part of the general funds of the Bank, but shall be a separate fund which shall be administered by the Bank separately from the general funds of the Bank for and on behalf of the Government, or for any such foreign Government, foreign or international organization or person or persons as may be approved by the Government.

Special
Resources
Fund.

(2) The Bank, in terms of any agreement entered into between the donor and the Bank, is hereby authorized to make or give from the Fund any loan, advance, grant, or other accommodation to any agricultural, industrial, fisheries, commercial or other enterprise.

(3) There shall be credited to the Fund by the Bank the amount of all donations and grants made, for the purposes of the Fund, by the donor. In addition the Fund shall be credited with the net income or interest arising from the operations of the Fund.

(4) All financial commitments or liabilities of the Bank arising from or incurred in connection with, any act or thing done by the Bank with the object of carrying out the purposes of the Fund shall be charged on the Fund.

(5) The Board may invest temporarily the excess resources of the Fund which cannot be utilised immediately in pursuance of the objectives of the Fund in such securities as it may deem appropriate, without prejudice to the long term interests of the Fund.

(6) Rules may be made under this Act in respect of all or any of the following matters :—

(a) the manner in which the accounts of the Fund shall be kept ;

(b) the establishment of reserves in the Fund for bad and doubtful debts, the depreciation of assets, and for such other contingencies as may accord with normal banking practice ;

(c) the closure or winding up of the Fund ; and

(d) any other matters connected with or incidental to any of the matters aforesaid.

**Reserve
requirements.**

29. Notwithstanding anything contained in the Monetary Law Act the provisions of section 93 of the Monetary Law Act, shall not apply to or in relation to the Bank for a period of three years after the date of commencement of its business and thereafter for the next succeeding period of three years the Bank shall be required to maintain only one-half of the reserves that such bank is required to maintain under that section.

**Exemption
of Bank
from income
tax.**

30. The Bank shall be exempted from the payment of income tax upon the profits and income of the Bank, for a period of ten years after the date of the commencement of its business.

31. (1) Any loan granted by the Bank shall be on security and other terms and conditions as may be determined by the Board.

Security on which loans may be granted by the Bank.

(2) Notwithstanding anything contained in subsection (1), the Board may, in their absolute discretion, grant loans for, purposes as may be specified by the Monetary Board without security in any cases in which the Board, for reasons to be recorded by it in writing, decides having regard to the nature and scope of any scheme or the purpose for which such loan is granted, that such security is not necessary.

PART IV

STAFF

32. (1) The Chairman shall be the Chief Executive Officer of the Bank.

Chairman to be the Chief Executive Officer of the Bank.

(2) The Chairman shall, subject to the general direction and control of the Board be charged with the direction of the business of the Bank, the organization and execution of the powers of the Bank and the administration and control of the employees of the Bank.

(3) The Chairman, may, with the approval of the Board, whenever he considers it necessary to do so, delegate, in writing, to any officer or servant of the Bank any power, function or duty conferred or imposed or assigned to him by this Act, and such officer or servant shall exercise, discharge and perform such power, function or duty, subject to the general or special directions of the Chairman.

33. (1) The Board may appoint such other officers and servants as it considers necessary for the efficient discharge of its functions.

Staff of the Bank.

(2) The officers and servants appointed under subsection (1) shall be remunerated in such manner and at such rates and shall be subject to such conditions of service as may be determined by the Board.

PART V

RECOVERY OF LOANS

Applicability
of the State
Mortgage
and Invest-
ment Bank
Law No. 13
of 1975.

34. The Provisions of Part V of the State Mortgage and Investment Bank Law, No. 13 of 1975, shall, *mutatis mutandis*, apply to the recovery of loans by the Bank.

PART VI

AUDIT AND ACCOUNTS

Financial
year of
the Bank.

35. The financial year of the Bank shall be the calendar year.

Audit.

36. (1) The Bank shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other transactions of the Bank.

(2) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of the accounts of the Bank.

Dissolution
of the Bank.

37. The provisions of Part IX of the Companies Act, No. 17 of 1982, shall, *mutatis mutandis*, apply to and in relation to the dissolution of the Bank.

PART VII

GENERAL

Application
of the
provisions
of the
National
Savings Bank
Act. No. 30
of 1971.

38. (1) Any person over sixteen years of age who has a deposit or savings account in the Bank may, nominate a person, to whom the moneys lying to the credit of such first-mentioned person shall be paid upon his death and, the provisions of section 44 of the National Savings Bank Act, No. 30 of 1971, shall, *mutatis mutandis*, apply to, and in relation to, such nomination and the payment of the moneys in such account to the nominee.

Certain
written
laws not to
apply to
the Bank.

39. The provisions of the following written laws shall not apply to the Bank :—

- (a) the Money Lending Ordinance;
- (b) the Debt Conciliation Ordinance; and
- (c) the Pawn Brokers Ordinance.

40. The provisions of the Companies Act, No. 17 of 1982, shall, *mutatis mutandis*, apply to the procedure at the meetings of shareholders for the election of the general body of the Bank.

Application of the provisions of the Companies Act, No. 17 of 1982.

41. The Bank shall be deemed to be an approved credit agency within the meaning of the Mortgage Act (Chapter 89).

The Bank deemed to be an approved credit agency.

42. Notwithstanding anything in the Stamp Duty Act, No. 43 of 1982, any instrument required or authorized to be made or executed by the Bank or any instrument made or executed in connection with the business of the Bank by the Bank, and any instrument made or executed by any other person in favour of the Bank in respect of any security for a loan, shall be exempt from the payment of duty under that Act.

Exempt from stamp duty.

43. Notwithstanding the provisions of section 22 of the Finance Act, No. 65 of 1961, any person may open accounts with the Bank established under this Act.

Opening of Accounts.

44. Every Director, officer or other employer of the Bank shall be indemnified by the Bank against all losses and expenses incurred by him or in relation to the discharge of his duties, except such as are caused by his wilful act or default.

Indemnity of directors &c.

45. (1) Every Director, auditor, officer or other employee or agent or other person employed in the business of the Bank, shall before entering upon his duties sign a declaration pledging himself to observe strict secrecy, respecting all transactions of the Bank, its customers, the state of accounts with any person or institution and all matters relating thereto and shall by such declaration pledge himself not to reveal any other matters which may come to his knowledge in the discharge of his duties except—

Declaration of secrecy.

(a) when required so to do—

(i) by the Board ; or

(ii) by a court of law ; or

(iii) by the person to whom such matters relate ; or

(iv) by the Monetary Board.

(b) in the performance of his duties ; and

(c) in order to comply with any of the provisions of this Act or any other law.

(2) Every Director, auditor, officer or other employee, agent, or other person employed in the business of the Bank shall decline to answer any question concerning the business of the Bank if he cannot answer the question without infringing his pledge of secrecy under subsection (1).

(3) Every Director, auditor, officer or other employee, agent or other person employed in the business of the Bank who reveals any information in contravention of a declaration signed by him under subsection (1) shall be guilty of an offence under this Act and shall on conviction after summary trial before a Magistrate, be liable to a fine not exceeding two thousand rupees, notwithstanding that such fine exceeds the amount of fine a Magistrate may impose in the exercise of his ordinary jurisdiction.

Monetary
Board to
give
directions.

46. The Monetary Board may, from time to time give to the Board general or special directions in writing as to the policy and performance of the duties and the exercise of the powers of the Bank, and the Board shall give effect to such directions.

Provision
for conflict
with other
written law.

47. In the event of any conflict or inconsistency between the provisions of this Act or any other written law the provisions of this Act shall prevail.

Rules.

48. (1) The Board may make rules in respect of all or any matters for which rules are required or authorized to be made under this Act.

(2) No rule made by the Board under this Act shall have force until it has been approved by the Monetary Board.

Interpreta-
tion.

49. In this Act, unless the context otherwise requires—

“banking business” means the business of receiving funds from the public through the acceptance of money deposits payable upon demand, and the use of such funds either in whole or in part for advance, investments or any other operation either authorized by law or by customary banking practices ;

“Central Bank” means the Central Bank of Ceylon established by the Monetary Law Act (Chapter 422) ;

“commercial bank” shall have the same meaning as in the Monetary Law Act (Chapter 422) ;

“co-operative society” means a co-operative society registered under the Co-operative Societies Law, No. 5 of 1972 ;

“enterprise” means any body of persons, whether corporate or unincorporate, by whatsoever name or designation called, and includes a corporation sole or a sole proprietorship ;

“general body of the bank” means the general body of the Bank constituted in accordance with the provisions of section 17 of this Act ;

“Monetary Board” means the Monetary Board of the Central Bank of Ceylon established under the Monetary Law Act (Chapter 422) ; and

“small-scale industry” means any industry irrespective of technology or location where the investment in plant and machinery excluding land, buildings and utilities does not exceed one million rupees.

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