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PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

**NATIONAL SAVINGS BANK (AMENDMENT)
ACT, No.22 OF 1999**

[Certified on 12th August , 1999]

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National Savings Bank (Amendment)
Act, No. 22 of 1999

[Certified on 12th August, 1999]

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AN ACT TO AMEND THE NATIONAL SAVINGS BANK ACT,
No. 30 OF 1971

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

1. This Act may be cited as the National Savings Bank (Amendment) Act, No.22 of 1999. Short title.
2. Section 3 of the National Savings Bank Act, No.30 of 1971 (hereinafter referred to as the “principal enactment”) is hereby amended as follows:- Amendment of section 3 of Act No.30 of 1971.
 - (1) in subsection (3) of that section, by the substitution, for the words “The Seal of the Bank”, of the words “Subject to the provisions of subsection (4), the Seal of the Bank” ; and
 - (2) by the addition, immediately after subsection (3) of that section, of the following new subsection:-

“(4) Where due to sickness, temporary absence from Sri Lanka or there being vacancies in the membership of the Board, affixing of the seal under subsection (3) cannot be done in the presence of two members, the seal may be affixed to any instrument or document in the presence of one member and the General- Manager of the Bank.”
3. Section 4 of the principal enactment is hereby amended as follows:- Amendment of section 4 of the principal enactment.
 - (1) by the repeal of subsection (1) of that section, and the substitution of the following subsection therefor:-

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“(1) The Bank shall have its principal place of business in Colombo and may have such branches, and may appoint such agencies and agents as may be necessary for the transaction of business of the Bank and may also appoint agents and establish representative offices outside Sri Lanka for purpose of mobilisation of deposits.” and

- (2) by the substitution, in subsection (2) of that section, for the words, “appoint as an agency or agent.” of the words “appoint as an agent.” ;

Amendment of
section 6 of the
principal
enactment

4. Section 6 of the principal enactment as amended by Act, No.28 of 1995 is hereby further amended in subsection (1) of that section, as follows:-

- (1) by the substitution for the words “provisions of this Act,” of the words “provisions of this Act and any other law including regulations made or directions issued thereunder,” ;
- (2) in paragraph (a) of that subsection, by the substitution, for the words “savings accounts and the issue of savings certificates;” , of the words “savings certificate or any other instrument or product that will enable the Bank to mobilise savings; “;
- (3) in paragraph (e) of that subsection, by the substitution, for the words “against the security of their deposits,” of the words “against the security of their deposits or any other security or guarantee as determined by the Board;”;
- (4) in paragraph (f) of that subsection, by the substitution for the words “housing loans on security”, of the words “housing loans or other loans for non commercial purposes on security”;
- (5) in paragraph (h) of that subsection, by the substitution, for the words “acquiring any immovable or movable property”, of the words “purchasing, taking on lease, exchange, hiring or otherwise acquiring any immovable or movable property or any rights in such property” ;

- (6) by the repeal of paragraph (j) of that subsection, and the substitution therefor of the following paragraph:-

“(j) trading in financial instruments issued or guaranteed by financial institutions and quoted companies approved by the Board;”.

- (7) by the addition immediately after paragraph (j) of that subsection the following new paragraphs:-

“(k) Providing re-finance facilities to licensed commercial banks and licensed specialised banks, for the purpose of medium and long term project lending;

(l) issuing letters of guarantee against deposits;

(m) borrowing monies from local and international credit institutions or agencies;

(n) conducting lotteries and prize competitions;

(o) investing in equity capital of any licensed commercial bank, licensed specialised bank, a subsidiary of any licensed commercial bank or licensed specialised bank or in any public company listed or seeking listing in a licensed stock exchange;

(p) opening of rupee accounts for non residents;

(q) collection and conversion of foreign currency from depositors;

(r) providing safe custody and safe deposit locker facilities to customers;

(s) undertaking pawnbroking business subject to such conditions as may be determined by the Monetary Board:

(t) providing facilities for money transfers;

(u) establishing subsidiary companies with the written approval of the Monetary Board;

(v) undertaking trust and estate administration;

(w) carrying on such other activities as may be incidental or conducive to the functions and activities referred to above.”

Amendment of section 26 of the principal enactment.

5. Section 26 of the principal enactment as amended by Act, No.28 of 1995, is hereby further amended in subsection (1) of that section by the substitution for the words “General Manager of the Bank”, of the words “General Manager of the Bank who shall be the Chief Executive Officer of the Bank.”

Insertion of new section 26A in the principal enactment.

6. The following new section is hereby inserted immediately after section 26 and shall have effect as section 26A of the principal enactment:-

“Delegation of powers to the General Manager and any other officer.

26 A (1) The Board may, from time to time by resolution made in that behalf delegate to the General Manager or to any other officer of the Bank any of its functions or activities, subject to such terms and conditions as may be specified in such resolution and the Board may revoke or withdraw any such delegation.

(2) Notwithstanding any delegation made under subsection (1) to the General Manager or to any other officer of the Bank, the Board shall have the right to discharge or perform any function or activity so delegated.”

Replacement of section 41 of the principal enactment

7. Section 41 of the principal enactment as amended by Act, No. 28 of 1995 is hereby repealed and the following section is substituted therefor :-

“Interest to be paid

41. Interest shall be paid by the Bank at rates to be determined by the Board, on money’s deposited with it, including money’s transferred to the Unclaimed Deposits Reserve, for the period during which the money was lying in such Unclaimed Deposits Reserve.”.

8. The following new section is hereby inserted immediately after section 41, and shall have effect as section 42 of the principal enactment :-

Insertion of new section 42 in the principal enactment.

“Payments other than interest. 42. the Board may make payments, other than interest, on such classes of accounts as it may specify, and at such rates as it may determine.”

9. Section 47 of the principal enactment as amended by Act, No.28 of 1995 is hereby further amended in subsection (4) of that section, by the substitution, for the words “Pay and amount equivalent to the amount which was in the account, to the claimant”, of the words “pay to the claimant an amount equivalent to the amount which was in the account together with interest calculated in accordance with rates as determined by the Board under section 41,”.

Amendment of Section 47 of the principal enactment.

10. the following new section is hereby inserted immediately after section 78, and shall have effect as section 79 of the principal enactment:-

Insertion of new section 79 in the principal enactment.

“Pawnbrokers Ordinance not to apply 79. the provisions of the Pawnbrokers Ordinance (Chapter 90) shall not apply in respect of pawnbroking business undertaken by the Bank.”.

11. Section 87 of the principal enactment as last amended by Act, No.28 of 1995 is hereby further amended as follows:-

Amendment of section 87 of the principal enactment.

- (1) by the insertion immediately after the definition of the word “guardian” of the following new definition:-

“licensed commercial bank” and licensed specialised bank” shall have the same meaning, respectively as in Banking Act, No.30 of 1988,” and ; and

- (2) by the insertion immediately after the definition of the expression “savings certificate”, of the following new definition:-

“savings instrument or product” means any instrument or product that will enable the Bank to mobilise savings”.

Sinhala text to prevail in case of inconsistency.

12. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.