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EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Central Bank of Sri Lanka Notices

FINANCE LEASING ACT, No. 56 OF 2000

DIRECTION issued under section 34 of the Finance Leasing Act, No. 56 of 2000.

K. M. A. N. Daulagala,
Director,
Department of Supervision of Non- Bank Financial Institutions
Central Bank of Sri Lanka.

09th December, 2010.

Finance Leasing (Minimum Core Capital) Direction, No. 1 of 2010

1. This Direction may be cited as the Finance Leasing (Minimum Core Capital) Direction, No.1 of 2010 and shall apply to every registered finance leasing establishment which is a public company referred to in paragraph (c) of section 3 of the Finance Leasing Act, No. 56 of 2000 (hereinafter referred to as 'specialised leasing company') with immediate effect. Citation

2. Every specialised leasing company shall maintain an unimpaired core capital not below the amounts as set out below :- Minimum Core Capital Requirement for next five years

<i>Minimum Core Capital Requirement (Rs. mn.)</i>	<i>Effective Date</i>
100	From 01.01.2012
150	From 01.01.2013
200	From 01.01.2014
250	From 01.01.2015
300	From 01.01.2016

Definition of
Core Capital

3. “Core Capital” shall mean the aggregate of the following :-

(a) ***Issued and Paid-up Ordinary Shares***

Issued and fully paid up ordinary shares / common stocks excluding any shares issued against reserves or surpluses or retained profits and, in the case of partly paid shares or stocks, the paid up amount ;

(b) ***Non-Cumulative, Non-Redeemable Preference Shares***

Issued and fully paid non-cumulative and non-redeemable preference shares where the payment of dividends could be reduced or waived off permanently in the event of profitability being inadequate to support such payment in part or full ;

(c) ***Share Premium***

The excess of issue price over the par value of the ordinary shares, common stock or non-cumulative and non-redeemable preference shares, if applicable ;

(d) ***Statutory Reserve Fund***

Amount lying to the credit of the Reserve Fund maintain under the Finance Leasing (Reserve Fund) Direction No. 5 of 2006 ;

(e) ***General or other Free Reserves***

Disclosed reserves in the form of general or other reserves created or increased by appropriation of retained earnings, share premium or other realised surpluses as per last audited financial statement ;

(f) ***Published Retained Profits/(Accumulated Losses)***

Balance in the profit / (loss) account brought forward from the previous financial years and as reported in the last audited financial statement excluding surpluses arising from the revaluation of investment properties ;

(g) ***Unpublished Current Year's Profits/(Losses)***

Current year's profits/ (losses) (excluding any surplus/loss after tax, arising from the sale of fixed and long term investments) earned/incurred since the closing date of the last audited financial statement ;

(h) ***Surplus'loss after tax, arising from the sale of Fixed and Long Term Investments***

Any surplus/(loss) after tax, arising from the sale of fixed and long term investments since the closing date of the audited financial statement.

Revocation of the
Direction No. 1
of 2006

4. Finance Leasing (Minimum Capital) Direction No. 1 of 2006 is hereby revoked.