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EXTRAORDINARY

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**PART I : SECTION (I) — GENERAL**

**Central Bank of Sri Lanka Notices**

**NOTICE OF THE CENTRAL BANK OF SRI LANKA**

REGULATIONS made by the Monetary Board of the Central Bank of Sri Lanka under Section 10(C) of the Monetary Law Act, No. 58 of 1949 (Chapter 422).

DR. INDRAJIT COOMARASWAMY,  
Chairman of the  
Monetary Board and Governor,  
Central Bank of Sri Lanka.

Colombo,  
14th February, 2019.

**MONEY BROKING REGULATIONS**

**Amendment to the Money Broking Regulations No. 1 of 2018**

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|---|--|
| 1.1 These Regulations shall be cited as Money Broking Regulations No. 1 of 2019.  | 1. Citation                              |
| 2.1 Money Broking Regulations No. 1 of 2018 published in <i>Gazette Extraordinary</i> No. 2061/7 of 05 March 2018 is hereby amended as follows :—   | 2. Amendment to the principal regulation |
| 1. Repeal of Regulations 12 (b) and 12 (f) and substitution therefor of the following new Regulations.  |  |
| 12(b) Each Authorized Money Broking company shall obtain from respective officers referred to in 12 (a) and significant shareholders affidavits and declarations as in Schedule I, II and III and submit annually before March 31 each year to the Director, Domestic Operations to facilitate assessment of fitness and propriety. A significant shareholder who is considered as a minor (less than 18 years old) shall not require obtaining fitness and propriety assessment. |  |



12(f) The Director, Domestic Operations may having regard to the matters specified in Regulation 13, approve or refuse to approve the proposed appointment (or continuation as the case may be) of the person, as a chief executive officer, director, key management person or significant shareholder of the Authorized Money Broking company and shall within sixty days after receiving the required documents notify the Authorized Money Broking company of such approved or refusal, giving reasons therefor.

2. Repeal of Regulations 13(e) and 13(f) and substitution therefor of the following new Regulations.

13. A person shall be disqualified from being elected and/or appointed as a director, chief executive officer, key management person or significant shareholder of an Authorized Money Broking company or from holding such position, if ;

13(e) such person is being subjected to an investigation or inquiry consequent upon being served with notice of a charge involving fraud, deceit, dishonesty or other similar criminal activity, by any regulatory authority, supervisory authority, professional association, Commission of Inquiry, tribunal or other body established by law, in Sri Lanka or abroad.

13(f) there is any findings of any regulatory or supervisory authority, professional association, any Commission of Inquiry, tribunal or other body established by law in Sri Lanka or abroad, to the effect that such person has committed or has been connected with the commission of any act which involves fraud, deceit, dishonesty or any other improper conduct.

3. Rename Regulation 14 as Regulation 14(a) and include following new Regulation as 14(b)

14(b) Directors or principal officers of the Authorized Money Broking company shall not have equity participation or have control over the licensed commercial bank and/or primary dealer.

4. Insert a Regulations 16(g) under Regulation 16

16. The internal control system referred to in Regulation (15), shall include :

16(g) the maintenance agreement for the voice recorder and other services obtained from external parties.

5. Repeal Regulation 18(f) and substitution therefor of the following new Regulation

18(f) The Authorized Money Broking company shall submit a performance report on a monthly basis to the Director, Domestic Operations, not later than two weeks of the following month in the form prescribed in the Schedule IV attached hereto, through Fin Net system which is the on-line interface provided to such Authorized Money Broking companies by the Central Bank. All monthly financial statements (statement of cash flow, statement of comprehensive income and statement of financial position) and audited financial statements shall be submitted to Director, Domestic Operations before exceeding one month and six months following the respective period, respectively.

6. Repeal Regulation of 20(a) and substitution therefor of the following new Regulation.

20(a) The Director, Domestic Operations may at any time, examine or authorize any officer of his department to examine the books of accounts and other records/activities of any Authorized Money Broking company. An Authorized Money Broking company shall provide any information as may be requested by the Director, Domestic Operations or such officer authorized by the Director, Domestic Operations at all times in order to facilitate such examination. An Authorized Money Broking company shall provide any information relating to money broking activities requested by Director, Domestic operations within stipulated time period without any delay. The Director, Domestic Operaitons may, from time to time, issue directions, circulars, guidelines and codes of conduct with a view to ensure compliance by Authorized Money Brokers with these regulations.

Examination  
Books and  
Provision of  
Information

3.1 This amendment shall come into effect from 14th February, 2019.

3. Effective date