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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Central Bank of Sri Lanka Notices

FINANCE BUSINESS ACT, NO. 42 OF 2011

The direction made by the Monetary Board of the Central Bank of Sri Lanka under Section 12 of the Finance Business Act, No. 42. of 2011.

NIVARD AJITH LESLIE CABRAAL,

Chairman,

Monetary Board of the Central Bank of Sri Lanka.

Colombo.

29th February, 2012,

Finance Companies (Interest Rates) Direction No. 1 of 2012

1. This direction may be cited as the Finance Companies (Interest Rates) Direction No. 1 of 2012 and shall apply to every finance company licensed in terms of the Finance Business Act, No. 42 of 2011. Citation
2. The maximum annual rate of interest which may be paid by a finance company on a time deposit accepted or renewed after 1st March, 2012, shall not exceed : Maximum interest rate.
 - 2.1 The weighted average yield applicable to 364-day Treasury Bills issued during the quarter ended 31st December, 2011 (thereafter quarterly weighted average yield rates as announced by Director) plus 5.5 percentage points, if such deposit carries a maturity period of 12 months or less ;
 - 2.2 The weighted average yield applicable to 364-day Treasury Bills issued during the quarter ended 31st December, 2011 (thereafter quarterly weighted average yield rates as announced by Director) plus 6.5 percentage points, if such deposit carries a maturity period of more than 12 months.
 - 2.3 In the case where a time deposit is accepted from or renewed by a person who is over fifty five (55) years of age at the time of making such deposit or renewal of such deposit (hereinafter referred to as a “Senior Citizen”), a finance company may pay an additional interest not exceeding one percentage point above the rates of interest as per paragraph (2.1) or (2.2).

3. The maximum rate of discount which may be allowed by a finance company on the issue of a certificate of deposit after 1st March, 2012, of which the price is less than the redeemable value at maturity shall be such that the maximum annual yield on the instrument shall not exceed -

3.1 The weighted average yield applicable to 364-day Treasury Bills issued during the quarter ended 31st December, 2011 (thereafter quarterly weighted average yield rates as announced by Director) plus 5.5 percentage points if such certificate of deposit carries a period of maturity of 12 months or less ;

3.2 The weighted average yield applicable to 364-day Treasury Bills issued during the quarter ended 31st December, 2011 (thereafter quarterly weighted average yield rates as announced by Director) plus 6.5 percentage points, if such certificate of deposit carries a maturity period of more than 12 months.

4. The maximum annual rate of interest, which may be paid by a finance company on any savings deposit, shall not exceed the weighted average yield applicable on 91-day Treasury Bills issued during the quarter ended 31st December 2011 (thereafter quarterly weighted average yield rates as announced by Director).

5. Provided however, that in the case where a savings deposit is maintained by a Senior Citizen, a finance company may pay an additional interest not exceeding one percentage point above the weighted average yield applicable on 91-day Treasury Bills issued during the quarter ended 31st December, 2011 (thereafter quarterly weighted average yield rates as announced by Director).

Reporting.

6. Every finance company shall furnish a statement to the Director containing the details of the rates of interest paid and discounts applied for certificates of deposit by such finance company in each month, on or before the 7th day of the following month.

Definition.

7. In this Direction, -

7.1 "Time deposit" means any deposit accepted by a finance company with an agreement to repay after a specified period of time ; and

7.2 "Director" means the Director of the Department of Supervision of Non-Bank Financial Institutions of the Central Bank of Sri Lanka;

7.3 Quarterly weighted average yield rates of 91-day and 364-day Treasury Bills will be issued by the Director for each quarter ending 31st March, 30th June, 30th September and 31st December.

Revocation.

8. The Finance Companies (Interest) Direction, No. 1 of 2010 is hereby revoked.

06 - 571/1

FINANCE BUSINESSACT, NO. 42 OF 2011

The Rule made by the Monetary Board of the Central Bank of Sri Lanka under Section 16 of the Finance Business Act, No. 42 of 2011.

NIVARD AJITH LESLIE CABRAAL,
Chairman of the Monetary Board/
Governor of the Central Bank of Sri Lanka.

Colombo.
27th February, 2012,

Finance Companies (Annual Licence Fees) Rule No. 2 of 2012

1. This Rule may be cited as the Finance Companies (Annual Licence Fees) Rule No. 2 of 2012 and shall apply to every finance company licensed in terms of the Finance Business Act, No. 42 of 2011. Citation
2. The licence fee payable by a finance company in the year of licensing shall be Rs. 500,000 from the date of this Rule and shall be paid to the Central Bank of Sri Lanka on or before the date of licensing. Licence fee for the first year
3. Every finance company licensed under the Finance Business Act, No. 42 of 2011 shall pay an annual licence fee applicable for the year 2013 and every subsequent year to the Central Bank of Sri Lanka on or before 31st December of the preceding calendar year, as set out below based on the total assets as shown in the audited balance sheet as at end of the preceding financial year : Annual licence fee

<i>Total Assets</i>	<i>Annual Licence Fee (Rs.)</i>
Rs. 1 billion or below	300,000
Above Rs. 1 billion up to Rs. 5 billion	500,000
Above Rs. 5 billion up to Rs. 10 billion	750,000
Over Rs. 10 billion	1,000,000

06 - 571/2

FINANCE BUSINESS ACT, NO. 42 OF 2011

The rule made by the Monetary Board of the Central Bank of Sri Lanka under Section 16 of the Finance Business Act, No. 42. of 2011.

NIVARD AJITH LESLIE CABRAAL,
Chairman of the Monetary Board/
Governor of the Central Bank of Sri Lanka.

Colombo.
27th February, 2012,

Finance Companies (Application) Rule No. 1 of 2012

1. This Rule may be cited as the Finance Companies (Application) Rule No. 1 of 2012 and shall apply to every applicant company seeking for licence to carry on finance business in terms of Sections 5(3)(a) or 5(7) of the Finance Business Act, No. 42 of 2011. Citation.
2. Every application for a licence by a company shall be made in 'Form SNBFI/LFC/A' of the schedule hereto, which is available on-line in the Central Bank website: <http://www.cbsl.gov.lk> and shall come into operation with effect from the date of this Rule. Application form.
3. Every applicant company shall pay a non-refundable application fee of Rs. 100,000 at the time of submitting the application form to the Department of Supervision of Non-Bank Financial Institutions. Application fee.

Register of finance companies	4. The Register of finance companies licensed under this act shall be maintained substantially in 'Form B1' of the schedule hereto.
Revocation of Rules of No. 1 of 2005 and No. 1 of 2010	5. Companies (Registration and Licensing) Rules No. 1 of 2005 and Finance Companies (Registration and Licensing-Amendment) Rules No. 1 of 2010 are hereby revoked.

SNBFI/LFC/A

Confidential

APPLICATION FOR A LICENSE UNDER THE FINANCE BUSINESS ACT, NO. 42 OF 2011

For office use

Applicant :
Date of receipt of Application :
Evaluation fee :
Remarks :

Important

Any person who submits information in this application, which is false, incomplete or incorrect shall be guilty of an offence under Section 5(9) of the Finance Business Act, No. 42 of 2011, punishable under Section 56(2) of the said Act.

Instructions

- (1) Basic requirements to obtain a licence to carry on finance business under the Finance Business Act, No. 42 of 2011 are given at Schedule I.
- (2) A non-refundable application fee of Rs. 100,000/- should be paid on submission of this application.
- (3) All applications should be typewritten or written in clear block letters.
- (4) If the space provided to give full details pertaining to the relevant item of the application is not adequate, please use a separate sheet of paper wherever necessary. Such sheets should carry a cross reference to the relevant item. If an item is not applicable it must be clearly stated.
- (5) (a) Every page of the completed application including annexures should be initialed by at least two Directors.
(b) All documents and statements (except audited accounts) submitted with the application should be certified as true and accurate by at least two Directors.
- (6) Completed application signed by all members of the Board of Directors of the applicant company along with the other required documents set out in Schedule II should be submitted to :

The Director,
Department of Supervision of Non - Bank Financial Institutions,
Central Bank of Sri Lanka,
No. 30, Janadhipathi Mawatha,
Colombo 01.
Sri Lanka.

APPLICATION FOR A LICENCE UNDER THE FINANCE BUSINESS ACT, NO. 42 OF 2011

To : The Monetary Board of the Central Bank of Sri Lanka
Central Bank of Sri Lanka,
Colombo 01.

(Name of the Company)

of.....

(Address)

do hereby apply to the Monetary Board of the Central Bank of Sri Lanka for a licence in terms of the provisions of the Finance Business Act, No. 42 of 2011. The following information and documents are furnished in support of the application.

PART I

1. General Information of the Company

1.1 Date of incorporation as a company :

1.2 Date of commencement of business :

1.3 Address of :

1.3.1 Registered Office :

1.3.2 Head / Administrative Office :

1.3.3 Branch Office (s) :

Location	District	Province	Contact Details

1.4 Financial year of the company :

1.5 Description of the main lines of business :

1.6 Listing with the Colombo Stock Exchange :

1.6.1 Whether the company is a listed company. If so, since when?

1.6.2 If not listed, expected date of listing.

1.7 Shareholding Structure of the Applicant Company as at the date of application :

1.7.1 Total number of shares :

1.7.2 Number of shareholders :

1.7.3 Names of the ten major shareholders :

<i>Name of Shareholder</i>	<i>No. of Shares</i>	<i>% of Issued Share Capital</i>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

1.8 Names and addresses of the company's bankers :

1.9 Name, address and contact details of the Secretary of the company :

1.10 Auditors (External) :

1.10.1 Name of the Auditor, Address and Contact Details :

1.10.2 Since which financial year has the said auditor audited the company ?

1.10.3 Whether any of the partners/directors of the audit firm is a shareholder of the company. (If yes, please give details) :

1.10.4 Audit fees paid for the last three financial years (Rs. million) :

1.10.5 Any financial accommodation granted to the audit firm or a partner/director of the firm. (If yes please give details.) :

1.11 Auditors (Internal) :

1.11.1 Name of the authority to which the internal auditor reports :

1.11.2 State whether the internal audit function is outsourced :

1.11.3 State the following details :

1.11.3.1 Name of the internal auditor :
(If outsourced please state address and contact details)

1.11.3.2 Qualifications and experience :

1.11.3.3 Number of years of service in the company :

1.11.4 Total staff available to the internal auditor and their qualifications :

<i>Name</i>	<i>Qualifications</i>	<i>No. of years in service</i>
1.		
2.		
3.		
4.		
5.		

2. Core Capital¹ confirmed by the company's external auditor

(As at end of the last three financial years and at end of the month immediately preceding the month in which the application is made.) :

(In Rupees 000')

	<i>20....</i>	<i>20....</i>	<i>20....</i>	<i>As at</i>
2.1 Issued and fully paid up Ordinary Shares/Common Stock - Amount only issued for each (2.1.1 + 2.1.2)				
2.1.1 Ordinary Shares / Common Stock (Voting)				
2.1.2 Ordinary Shares / Common Stock (Non-voting)				
2.2 Issued and fully paid up non-cumulative non-redeemable preference shares				
2.3 General reserves and other free reserves				
2.4 Accumulated profit or loss as shown in last audited statement of accounts.				
2.5 Unpublished current year's profits/(losses) subject to certification by the company's external auditor				
2.6 Core Capital (sum from 2.1 to 2.5)				

¹ Definition given in Section 74 of the Finance Business Act, No. 42 of 2011

2.7 If the company has revalued its assets, please indicate the following :

<i>Type of Asset</i>	<i>Location</i>	<i>Cost</i>	<i>Date of revaluation</i>	<i>Surplus/Deficit</i>

2.7.1 Certified copy of each Valuation Report of revalued properties.

3. Board of Directors :

<i>Full Name of Director (Please begin with the name of the Chairman)</i>	<i>Residential Address</i>	<i>Date of Birth</i>	<i>NIC No.</i>	<i>Passport No.</i>	<i>Date of appointment to the applicant company</i>	<i>Number of years he/she has been a Director in the applicant company.</i>	<i>For office use</i>
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							

PART II

4. State whether the company is a subsidiary or an associate of another company or a member of a group of companies :

4.1 If so, please provide the detail of the Holding Company in the format given at SNBFI/LFC/HC.

4.2 Please submit the audited annual accounts of the Holding Company for the past three years.

5. Please provide the details of the related parties² as per the following format :

Name of Company	Equity Investments		Inter Company Current Account receivables	Any Other Exposures (Please Specify)	Nature of Business
	Cost (Rs. 000')	Shareholding %			
Own Subsidiaries					
(i)					
(ii)					
(iii)					
Own Associates					
(i)					
(ii)					
(iii)					
Other Investee entities					
(i)					
(ii)					
(iii)					
Any other related party					
(i)					
(ii)					
(iii)					

5.1 Names of the Board of Directors and quantum of shares held by them in respective related companies :

5.2 Please provide the audited accounts of the related company/companies for the last financial year.

²A company which is the holding company, subsidiaries or associates of the holding company, subsidiaries or associates of the holding company's holding company, subsidiaries, associates of the applicant company or a company which is a member of the group in which the applicant company is a member.

PART III

6. If the company has been audited engaged in lending, please give details as at the date of the application, as per the format below :

6.1 Lending to related parties ³

<i>Item</i>	<i>No. of A/Cs</i>	<i>Granted Value (Rs. 000')</i>	<i>Interest & Other Charges Accrued (Rs. 000')</i>	<i>Interest & Other Charges held in Suspense as at end of last financial year (Rs. 000')</i>
(i) Loans to the holding company				
(ii) Loans to subsidiary and associate companies				
(iii) Loans and advances to Directors of the company and their relatives ⁴				
(iv) Loans or any other financial accommodation given to individuals on the guarantee or indemnity of a Director, a relative of a director of the Company or any employee of the company				
(v) Unsecured loans (promissory note and commercial papers are not considered as security)				
(vi) Loans and advances to purchase its own shares				
(vii) Loans and advances granted on the security of its own shares or on the security of the shares of any of its subsidiary company				

6.2 Accommodation by the company to related parties. Please provide the following details for each entity separately :

³ As defined in Section 5 above.

⁴ Relative shall mean the spouse and dependent child of such individual.

<i>Name of the Related Party</i>	<i>Relationship</i>	<i>Type of Facility</i>	<i>Amount Granted</i>	<i>Amount Outstanding</i>	<i>Collateral Provided</i>	<i>Date of Granting Loans</i>	<i>Annual Interest Rate</i>

6.3 Asset Quality :

Product	Performing Loans		Non-Performing Loans				Total	
	0-6 months in arrears		6-12 months in arrears		over 12 months in arrears			
	No. of Accounts	Amount Outstanding (Rs. 000’')	No. of Accounts	Amount Outstanding (Rs. 000’')	No. of Accounts	Amount Outstanding (Rs. 000’')	No. of Accounts	Amount Outstanding (Rs. 000’')
Term Loans								
Finance Lease								
Hire Purchase								
Pawning								
Other products								
Total								

7. Borrowers of Applicant Company exceeding 10% of shareholder funds as per last audited accounts :

<i>Name of Borrower</i>	<i>Amount Granted (Rs. 000')</i>	<i>Annual Interest Rate</i>	<i>Date of Granting Loans</i>	<i>Nature of Security</i>	<i>Amount Outstanding (as at the date of application (Rs. 000'))</i>
1. Individuals					
i					
ii					
iii					
2. Group of Borrowers					
i					
ii					
iii					
iv					

8. Borrowing by the company as at the date of application. (Please provide details of individual borrowings as per below categories.)

<i>Source</i>	<i>Amount Received (Rs. 000')</i>	<i>Annual Interest Rate</i>	<i>Date of Receipt of the Loan %</i>	<i>Nature of Security</i>	<i>Amount Outstanding (as at the date of application (Rs. 000')</i>
A. From Banks					
i.					
ii.					
iii.					
B. From Directors					
i.					
ii.					
iii.					
C. From other sources					
i.					
ii.					
iii.					
Total					

9. Off- balance Sheet Items of the applicant company as at the date of application :

<i>Liabilities</i>	<i>Date given</i>	<i>Value (Rs. 000')</i>
Guarantees given on behalf of Directors		
Guarantees given on behalf of subsidiaries and associates		
Guarantees given on behalf of others (Please specify)		
Any other off-balance sheet liabilities		

10. Lending Rates/Charges during one year period prior to the date of application

Category	Lending rates (range) (annual)					Default Charges
	Lesss than 12 months	12 months	24 months	Over 24 months	%	Amount (Rs. 000')
Loans						
Hire Purchase						
Finance Leasing						
Pawning						
Other Products						

We declare that we have taken note of the contents of section 5(9) of the Finance Business Act, No. 42 of 2011 and we declare that the particulars stated in this application have been verified and are complete in all respects and that the information is to our knowledge and belief true and accurate.

For and on behalf of

(Applicant Company)

Name of Directors

Signatures

Date :

(Common seal of the company)

Schedule I

Basic Requirements for licensing under the Finance Business Act, No. 42 of 2011 :

1. To be eligible to be licenced as a finance company an applicant company -

(a) Should be a company registered under the Companies Act, No. 07 of 2007

(b) Should not be a company limited by guarantee, a private company, an offshore company or an overseas company within the meaning of the Companies Act, No. 07 of 2007.

2. Should have a minimum core capital of Rs. 400 million as per the Finance Companies (Minimum Core Capital) Direction No. 01 of 2011.

Schedule II

The following documents should be submitted a long withthe application from :

1. A certified copy of the Certificate of Incorporation
2. Confirmation from the Auditors on the availability of core capital
3. Articles of Association of the company or Memorandum and Articles of Association of the company
4. Certified copy of each of the latest forms filed with the Registrar of Companies regarding the registered address, list of directors and the annual return. (Forms 13, 15, 20)

5. Affidavits and declarations of the directors as per Forms SNBFI/A 1, SNBFI/D 1, SNBFI/A2 and SNBFI/D2
6. Organization Chart of the applicant company
7. A copy of the Manual of Operations of the applicant company
8. A feasibility report on carrying on finance business
9. Projections of deposits, lending and other operations and profit and loss for the first 03 years of operation after obtaining licence
10. Board of Director's assessment of the company's ability to comply with the Directions issued and Rules made under the Finance Companies Act No. 78 of 1988 and Finance Business Act No. 42 of 2011
11. Audited financial statements for the last three financial years and financial statements as at end of the month immediately preceding the month in which the application is made
12. A certified copy of the auditor's confidential letter to the board of directors at the completion of their audit for the last financial year
13. Tax clearance certificate issued by the Inland Revenue Department

If an existing company acts as the promoter of the applicant company the format given at SNBFI/LFC/P is needed to be submitted along with the following additional documents :

14. Articles of Association of the promoting company
15. Resolution passed by the Board of Directors to form a new company for the purpose of carrying on finance business, with an issued and paid up share capital of not less than the minimum required core capital ;
16. Audited annual accounts of the promoting company for the last 3 years.

SNBFI/LFC/P

FORM ON PROMOTING COMPANY'S DETAILS

1. General Information of the Promoting Company :
 - 1.1 Date of incorporation as a company :
 - 1.2 Date of commencement of business :
 - 1.3 Address of :
 - 1.3.1 Registered Office :
 - 1.3.2 Head/Administrative Office :
 - 1.3.3 Branch Office (s) :
 - 1.4 Description of the main lines of business :
 - 1.5 Shareholding Structure of the Promoting Company :
 - 1.5.1 Names of the ten major shareholders :

<i>Name of Shareholder</i>	<i>No. of Shares</i>	<i>% of Issued Share Capital</i>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

2. Board of Directors

<i>Full Name and Address of Director (Please begin with the name of the Chairman)</i>	<i>Date of Birth</i>	<i>Qualifications</i>	<i>Experience</i>	<i>NIC No.</i>	<i>Passport No.</i>

We declare that the particulars stated in the form SNBFI/LFC/P have been verified and are complete in all respects, and that the information is to our knowledge and belief true and accurate.

For and on behalf of
(Promoting Company.)

Names of Directors

Signatures

Date :

(Common seal of the company)

SNBFI/LFC/HC

FORM ON HOLDING COMPANY'S DETAILS

1. General Information of the Holding Company :

1.1 Date of incorporation as a company :

1.2 Date of commencement of business :

1.3 Address of :

1.3.1 Registered Office :

1.3.2 Head/Administrative Office :

1.3.3 Branch Office (s) :

1.4 Description of the main lines of business :

1.5 Shareholding Structure of the Holding Company

1.5.1 Names of the ten major shareholders :

<i>Name of Shareholder</i>	<i>No. of Shares</i>	<i>% of Issued Share Capital</i>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

2. Board of Directors

[illegible]

Form SNBFI/A 1

Name of the Applicant Company :

*Affidavit to be submitted by directors in the Applicant Company
Affidavit*

I, (full name) holder of National Identity Card No./Passport No. of (address) being a Buddhist/Hindu/Christian/Catholic/Muslim do hereby solemnly, sincerely and truly declare and affirm/make oath and state¹ as follows :

1. I am the affirmant/deponent above named and I am a/the (designation) of (name of the applicant company) :
2. I affirm/state that I possess the following academic and/or professional qualification/s :
3. I affirm/state that the effective experience I possess in banking, finance, business or administration or of any other relevant discipline is as follows :
4. I affirm/state that I am not subjected to any disqualification given in *Annex 1*, annexed hereto as part and parcel of this Affidavit.

The averments contained herein were read over to the affirmant/deponent who having understood the contents hereof and having accepted same as true, affirmed/swore to and placed his/her signature aton this day of

Affix Stamps as applicable

Before me

JUSTICE OF THE PEACE / COMMISSIONER
FOR OATHS

¹ Delete the inapplicable words

Buddhists, Hindus, Muslims and persons following any other religion must solemnly, sincerely and truly declare and affirm, Christians and Catholics must make oath and state.

Annex I

Disqualifications under Section 21 of the Finance Business Act, No. 42 of 2011 and Section 2.1 of the Finance Companies (Assessment of Fitness and propriety of Directors and Officers performing executive functions) Directions No. 3 of 2011:

1. A person shall be disqualified from being appointed or elected, as a director of a finance company if such person-
 - (a) does not possess academic or professional qualifications or effective experience in banking, finance, business or administration or of any other relevant discipline ;
 - (b) (i) is being subjected to any investigation or inquiry in respect of a fraud, deceit, dishonesty or other similar criminal activity, conducted by the police, any regulatory or supervisory authority, professional association, commission of inquiry, tribunal or any other body, established by law, in Sri Lanka or abroad ;
(ii) has been found guilty in respect of an act of fraud, deceit, dishonesty or other similar criminal activity, by any regulatory or supervisory authority, professional association, commission of inquiry, tribunal or any other body established by law, in Sri Lanka or abroad, at any time during the period of fifteen years immediately prior to being so appointed or elected ;
(iii) has been found by any regulatory or supervisory authority, professional association, commission of inquiry, tribunal or any other body established by law, in Sri Lanka or abroad, that such person has committed or has been connected with the commission of any act which involves fraud, deceit, dishonesty, improper conduct or non-compliance with any Statute or rules, regulations, directions or determinations issued thereunder.
 - (c) has failed to satisfy and judgment or order of any court or to repay a debt ;
 - (d) has been convicted in any court in Sri Lanka or abroad for an offence involving moral turpitude ;
 - (e) has been convicted by any court for any offence under the Finance Business Act, No. 42 of 2011 or the Companies Act, No. 07 of 2007 ;
 - (f) is a person against whom action has been taken by the Board under section 51 of the Finance Business Act No. 42 of 2011 ;
 - (g) (i) is being subject to court proceedings for an offence involving an act of fraud, deceit, dishonesty or other similar criminal activity ;
(ii) has been convicted by any court for an offence involving an act of fraud, deceit, dishonesty or other similar criminal activity at any time during the period of fifteen years immediately prior to being so appointed or elected ;
 - (h) has been removed or suspended by a regulatory or supervisory authority from serving as a director, chief executive or other officer in any bank, finance company or corporate body in Sri Lanka or abroad ;
 - (i) has been determined by the Board -
 - (i) as having carried on finance business -
 - (a) in contravention of subsection (1) of section 2 of the Finance Business Act ; or
 - (b) in contravention of subsection (1) of section 2 of the Finance Companies Act, No. 78 of 1988 (prior to its repeal) ; or
 - (ii) as having accepted deposits in contravention of subsection (2) of Section 2 of the Finance Business Act ; or
 - (i) has been a director, chief executive or held any other position of authority in any body corporate or unincorporate body which the Board has determined as having carried on finance business in contravention of subsection (1) of Section 2 of this Act or subsection (1) of Section 2 of the Finance Companies Act, No. 78 of 1988 (prior to its repeal) or having accepted deposits in contravention of subsection (2) of section 2 of the Finance Business Act ;
 - (j) has been declared an undischarged insolvent or a bankrupt, by any court in Sri Lanka or abroad ;
 - (k) has been declared by a court of competent jurisdiction to be of unsound mind ;

2. If the Monetary Board so determines, any person who has been a Director, Chief executive Officer or held any other position of authority in any Bank, Finance Company or financial Institution whose licence or registration has been cancelled, shall be disqualified from being appointed or elected as the case may be, as a Director, Chief Executive Officer, Secretary or key management personnel/officer performing executive functions of a finance company or from holding such post.

3. Any person, who acts as a Director, Chief Executive Officer, secretary or Key management personnel of a finance company while being under any disqualification set out in subsection (1) of Section 21 of the Finance Business Act, shall be guilty of an offence under the said Act.

4. In addition to the above, criteria set out in Section 5 of the Directions No. 3 of 2008 on Corporate Governance for Finance Companies shall also be applicable to a Director of a Finance Company.

Form SNBFI/A 2

Name of the Applicant Company :

Affidavit to be submitted by directors selected for appointment in a Applicant Company

AFFIDAVIT

I, (full name) holder of National Identity Card No./Passport No of (address) being a Buddhist/Hindu/Christian/Catholic/Muslim do hereby solemnly, sincerely and truly declare and affirm/make oath and state¹ as follows :

1. I am the affirmant/deponent above named and I have been selected for appointment as a/the (designation) of(name of the Applicant Company).
2. I affirm/state that I possess the following academic and/or professional qualification/s :
3. I affirm/state that the effective experience I possess in banking, finance, business or administration or of any other relevant discipline is as follows :
4. I affirm/state that I am not subjected to any disqualification given in Annex 1, annexed hereto as part and parcel of this Affidavit.

The averments contained herein were read over to the [affirmant/deponent] who having understood the contents hereof and having accepted same as true, affirmed/swore to and placed his her signature aton this day of

Affix Stamps as applicable

Before me

JUSTICE OF THE PEACE / COMMISSIONER
FOR OATHS

¹ Delete the inapplicable words.

Buddhist, Hindus, Muslims and persons following any other religion must solemnly, sincerely and truly declare and affirm, Christians and Catholics must make oath and state.

Annex I

Disqualifications under Section 21 of the Finance Business Act No. 42 of 2011 and Section 2.1 of the Finance Companies (Assessment of Fitness and propriety of Directors and officers performing executive functions) Directions No. 3 of 2011

1. A person shall be disqualified from being appointed or elected, as a director of a finance company if such person
 - (a) does not possess academic or professional qualifications or effective experience in banking, finance, business or administration or of any other relevant discipline ;
 - (b) (i) is being subjected to any investigation or inquiry in respect of a fraud, deceit, dishonesty or other similar criminal activity, conducted by the police, any regulatory or supervisory authority, professional association, commission of inquiry, tribunal, or any other body, established by law, in Sri Lanka or Abroad ;
 - (ii) has been found guilty in respect of an act of fraud, deceit, dishonesty or other similar criminal activity, by any regulatory or supervisory authority, professional association, commission of inquiry, tribunal, or any other body established by law, in Sri Lanka or Abroad, at any time during the period of fifteen years immediately prior to being so appointed or elected ;
 - (iii) has been found by any regulatory or supervisory authority, professional association, commission of inquiry, tribunal, or any other body established by law, in Sri Lanka or abroad, that such person has committed or has been connected with the commission of any act which involves fraud, deceit, dishonesty, improper conduct or non-compliance with any Statute or rules, regulations, directions or determinations issued thereunder.
 - (c) has failed to satisfy any judgment or order of any Court or to repay a debt ;
 - (d) has been convicted in any court in Sri Lanka or abroad for an offence involving moral turpitude ;
 - (e) has been convicted by any court for any offence under the Finance Business Act No. 42 of 2011 or the Companies Act, No. 07 of 2007 ;
 - (f) is a person against whom action has been taken by the Board under Section 51 of the Finance Business Act No. 42 of 2011 ;
 - (g) (i) is being subject to Court proceedings for an offence involving an act of fraud, deceit, dishonesty or other similar criminal activity ;
 - (ii) has been convicted by any court for an offence involving an act of fraud, deceit dishonesty or other similar criminal activity at any time during the period of fifteen years immediately prior to being so appointed or elected ;
 - (h) has been removed or suspended by a regulatory or supervisory authority from serving as a Director, Chief executive or other officer in any Bank, Finance Company or Corporate Body in Sri Lanka or abroad ;
 - (i) has been determined by the Board -
 - (ii) as having carried on finance business -
 - (a) in contravention of subsection (1) section 2 of the Finance Business Act ; or
 - (b) in contravention of subsection (1) of section 2 of the Finance Companies Act, No. 78 of 1988 (prior to its repeal) ; or
 - (ii) as having accepted deposits in contravention of subsection (2) of the Finance Business Act ; or
 - (i) has been a Director, Chief Executive or held any other position of authority in any body corporate or unincorporate body which the Board has determined as having carried on finance business in contravention of subsection (1) of section 2 of this Act or sub Section (1) of Section 2 of the Finance Companies Act, No. 78 of 1988 (prior to its repeal) or having accepted deposits in contravention of subsection (2) of section 2 of the Finance Business Act.
 - (j) has been declared an undischarged insolvent or a bankrupt, by any Court in Sri Lanka or Abroad ;
 - (k) has been declared by a Court of competent jurisdiction to be of unsound mind ;

2. If the Monetary Board so determines, any person who has been a Director, Chief Executive Officer or held any other position of authority in any bank, finance company or financial institution whose licence or registration has been cancelled, shall be disqualified from being appointed or elected as the case may be, as a Director, Chief Executive Officer, Secretary or key management personnel/officer performing executive functions of a finance company or from holding such post.

3. Any person, who acts as a Director, Chief executive Officer, Secretary or key management personnel of a finance company while being under any disqualification set out in subsection (1) of Section 21 of the Finance Business Act, shall be guilty of an offence under the said Act.

4. In addition to the above, criteria set out in Section 5 of the Directions No. 3 of 2008 on Corporate Governance for Finance Companies shall also be applicable to a director of a Finance Company.

Form SNBFI/D1

Name of the Applicant Company :

Declaration to be submitted by directors in the Applicant Company¹

1. Personal Details

1.1 Full Name :

1.2 National Identity Card number :

1.3 Passport Number :

1.4 Local of Expatriate :

1.5 Date of Birth :

1.6 Permanent Address :

1.7 Present Address :

2. Appointment to the Applicant Company

2.1 Date of appointment as a Director :

2.2 Designation :

2.3 Annual remuneration (with details) :

2.4 Annual value of benefits derived by the director and/or his/her family from company assets. (Example by use of company land, building, vehicles. etc.) :

2.4.1 Annual value of expenses borne by the company on account of maintenance of assets referred to in 2.4 or for reimbursement of any expenses (credit card bills, utility bills etc.) :

2.4.2 Purchased value and book value of assets referred to in 2.4 and the location of immovable assets :

3. Personal Details of Relatives :

3.1 Full Name of Spouse :

3.1.1 National Identity Card No. :

3.1.2 Passport Number :

3.2 Details of dependent children : — — — —.

¹If the space provided is not adequate please annex a separate sheet of paper giving full details, with a cross reference to the relevant item.

	<i>Full Name</i>	<i>NIC</i>	<i>Passport Number</i>
3.3.1			
3.3.2			
3.3.3			

4. Background and Experience

4.1 Name of Companies/Societies/Body Corporates in which the Director presently is a Director or is employed as an officer performing executive functions² :

<i>Name of the Institution</i>	<i>Designation</i>

4.2 Names of Companies/Societies/Body Corporates in which the director has been a Director or has been employed as an officer performing executive functions² :

<i>Name of Institution</i>	<i>Period of Office</i>	<i>Designation</i>

5. Shareholdings in Licensed Finance Companies and their Related Companies.

Share ownerships in Licensed Finance Companies, their Holding Companies, Subsidiaries and Associates if any, presently held :

<i>Name of the Institution</i>	<i>No. of shares</i>		<i>Percentage holding</i>	
	<i>Direct</i>	<i>Indirect</i>	<i>Direct</i>	<i>Indirect</i>

²See definition at the end

6. Business Transactions ³

Any business transaction the Director presently has with the applicant company, its holding company Subsidiaries or Associates if any.

Name of the Institution	Date of Transaction	Amount as at (Rs. 000')		Classification (performing / non-performing)	Type and value of collateral (Rs. 000')	% of the finance company's Capital Funds
		Limit	Out-standing			
Loans and such other accommodation obtained						

Investments (Promissory Notes / Commercial Paper etc.) made

Name of the Institution	Date of Transaction	Amount as at (Rs. 000')

Deposits :

Name of the Institution	Date of Transaction	Amount as at (Rs. 000')

7. Appointment, Shareholdings and Business Transactions of Relatives⁴

7.1 Any relative/s presently employed as a director or an officer performing executive functions in any finance Company.

Name of the finance Company	Full name of the relative	Position held

³ "Business transaction" shall mean any accommodations, investments and deposits.

⁴ See definition at the end

7.2 Direct or indirect share ownership in the applicant company if any, presently held by any relative of the Director/an officer performing executive functions.

Full Name of the Relative	No. of Shares		Percentage Holding	
	Direct	Indirect	Direct	Indirect

7.3 Any business transaction, any relative of the Director currently has with the Applicant Company.

Full name of the Relative	Nature of Business Transaction	Date of transaction	Limit as at (Rs. 000')	Outstanding as at (Rs. 000')	Type and value of collateral (Rs. 000')	% of Applicant Company's paid up capital

8. Any other explanation/information in regard to the information furnished above and other information considered relevant for assessing the suitability of a Director in a Licensed Finance Company.

DECLARATION:

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the applicant company and the Director, Department of Supervision of Non-Bank Financial Institutions of the Central Bank of Sri Lanka duly informed, as soon as possible, all subsequent changes to the information provided above.

I state that I am not prevented by any Statute from being appointed to the above post.

.....
Signature of Director / Chairman,
in the Applicant Company

Date :

To be completed by the Chairman of the Board of Directors with reference to Directors

Any other explanation/information considered relevant in assessing the suitability of the Director to be a Director in a Licensed Finance Company.

Signature of Chairman of the Board of Directors and the Official Stamp.

Date :

Definitions

1. Officers performing executive functions in a finance company are as follows :

- (i) Chief executive Officer / General Manager
- (ii) Additional General Manager
- (iii) Senior Deputy General Manager
- (iv) Deputy General Manager
- (v) Assistant General Manager
- (vi) Chief Operating Officer
- (vii) Chief Risk Officer
- (viii) Chief Accountant
- (ix) Chief Financial Officer
- (x) Chief Internal Auditor
- (xi) Compliance Officer
- (xii) Head of Treasury
- (xiii) Head of Legal
- (xiv) Head of Information Technology
- (xv) Company Secretary
- (xvi) Officers serving as consultants or Advisors to the Board of Directors of the finance companies
- (xvii) Officers involving authorizing credit, decisions on assets and marketing of products of the respective Finance Company.

2. Relative shall mean the spouse or dependent Child of such individual.

Form SNBFI/D2

Name of the Applicant Company :

Declaration to be submitted by Directors selected for appointment in the Applicant Company¹

1. Personal Details

- 1.1 Full Name :
- 1.2 National Identity Card number :
- 1.3 Passport number :
- 1.4 Local or Expatriate :
- 1.5 Date of Birth :
- 1.6 Permanent Address :
- 1.7 Present Address :

2. Appointment to the Applicant Company

- 2.1 Proposed date of appointment as a Director :
- 2.2 Proposed designation :
- 2.3 Annual remuneration to be paid (with details) :
- 2.4 Annual value of benefits that would be derived by the director selected for appointment and/or his/her family from company assets. (Example by use of company land, building, vehicles. etc.) :

¹If the space provided is not adequate please annex a separate sheet of paper giving full details, with a cross reference to the relevant item.

2.4.1 Annual value of expenses offered to be borne by the company on account of maintenance of assets referred to in 2.4 or for reimbursement of any expenses (credit card bills, utility bills etc.) :

2.4.2 Purchased value and book value of assets referred to in 2.4 and the location of immovable assets :

3. Personal Details of Relatives

3.1 Full name of spouse :

3.1.1 National Identity Card No. :

3.1.2 Passport Number :

3.2 Details of dependent children :

	<i>Full Name</i>	<i>NIC</i>	<i>Passport number</i>
3.3.1			
3.3.2			
3.3.3			

4. Background and Experience

4.1 Name of Companies/Societies/Body Corporates in which the director selected for appointment presently is a director or is employed as an officer performing executive functions² :

<i>Name of the Institution</i>	<i>Designation</i>

4.2 Names of Companies/Societies/Body Corporates in which the Director selected for appointment presently has been a director or has been employed as an officer performing executive functions² :

<i>Name of Institution</i>	<i>Period of Office</i>

5. Shareholdings in Licensed Finance Companies and their Related Companies.

Share ownership in Licensed Finance Companies, their holding companies, subsidiaries and associates if any, presently held :

<i>Name of the institution</i>	<i>No. of shares</i>		<i>Percentage holding</i>	
	<i>Direct</i>	<i>Indirect</i>	<i>Direct</i>	<i>Indirect</i>

⁴ See definition at the end

6. Business Transactions ³

Any business transaction the director, selected for appointment, presently has with the applicant company, its holding company its subsidiaries or associates if any.

Name of the institution	Date of transaction	Amount as at (Rs. 000 ')		Classification (performing non- performing)	Type value of collateral (Rs. 000 ')	% of the finance company's Capital Funds
		Limit	Out-standing			
Loans and such other accommodation obtained						

Investments (Promissory Notes / Commercial Paper etc.) made

Name of the Institution	Date of Transaction	Amount as at (Rs. 000')

Deposits :

Name of the Institution	Date of Transaction	Amount as at (Rs. 000')

7. Appointment, Shareholdings and Business Transactions of Relatives⁴

7.1 Any relative/s presently employed as a director or an officer performing executive functions in any finance company.

Name of the finance company	Full name of the Relative	Position held

7.2 Direct or indirect share ownership in the applicant company if any, presently held by any relative of the director/Selected for appointment.

Full Name of the relative	No. of shares		Percentage holding	
	Direct	Indirect	Direct	Indirect

⁴ See definition at the end

7.3 Any business transaction, any relative of a Director selected for appointment currently has with the applicant company :

<i>Full name of the Relative</i>	<i>Nature of business Transaction</i>	<i>Date of Transaction</i>	<i>Limit as at (Rs. 000')</i>	<i>Outstanding as at (Rs. 000')</i>	<i>Type and value of collateral (Rs. 000')</i>	<i>% of Applicant Company's paid up capital</i>

8. Any other explanation/information in regard to the information furnished above and other information considered relevant for assessing the suitability of a Director, selected for appointment, in a Licensed Finance Company.

DECLARATION :

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the applicant company and the Director, Department of Supervision of Non-Bank Financial Institutions of the Central Bank of Sri Lanka duly informed, as soon as possible, all subsequent changes to the information provided above.

I state that I am not prevented by any Statute from being appointed to the above post

.....
Signature of Director / Chairman,
in the Applicant Company

Date :

TO BE COMPLETED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS WITH REFERENCE TO DIRECTOR SELECTED FOR APPOINTMENT

Any other explanation/information considered relevant in assessing the suitability of the director selected for appointment to be a director in a licensed finance company.

Signature of Chairman of the Board of Directors and the Official Stamp

Date :

Definitions

1. Officers performing executive functions in a finance company are as follows :

- (i) Chief executive Officer / General Manager
- (ii) Additional General Manager
- (iii) Senior Deputy General Manager
- (iv) Deputy General Manager
- (v) Assistant General Manager

³ "Business transaction" shall mean any accommodations, investments and deposits.

- (vi) Chief Operating Officer
- (vii) Chief Risk Officer
- (viii) Chief Accountant
- (ix) Chief Financial Officer
- (x) Chief Internal Auditor
- (xi) Compliance Officer
- (xii) Head of Treasury
- (xiii) Head of Legal
- (xiv) Head of Information Technology
- (xv) Company Secretary
- (xvi) Officers serving as Consultants or Advisors to the Board of Directors of the Finance companies
- (xvii) Officers involving authorizing credit, decisions on assets and marketing of products of the respective Finance Company.

2. Relative shall mean the spouse or dependent child of such individual.

Form B I

Register of Licensed Finance Companies

(In terms of Section 16 of the Finance Business Act, No. 42 of 2011)

<i>Name of Finance Company</i>	<i>Registered Address</i>	<i>Date of Licence under the Finance Business Act</i>	<i>Licence No.</i>	<i>Remarks</i>	<i>Signature of the Secretary to the Monetary Board</i>

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