

## **APPENDIX I**

- (A) EXTRACTS OF MAJOR LEGAL ENACTMENTS OF THE PARLIAMENT OF CEYLON  
IN 1965 WHICH RELATE TO THE FUNCTIONS AND OPERATIONS OF THE  
CENTRAL BANK AND BANKING INSTITUTIONS.**
  
- (B) MAJOR ADMINISTRATIVE MEASURES ADOPTED BY THE MONETARY BOARD  
IN 1965.**

**(A) Extracts of Major Legal Enactments of the Parliament of Ceylon in 1965 which relate to the Functions and Operations of the Central Bank and Banking Institutions.**

**Appropriation Act, No. 7 of 1965**

AN ACT TO PROVIDE FOR THE SERVICE OF THE FINANCIAL YEAR, 1965-66, TO AUTHORIZE THE RAISING OF LOANS IN OR OUTSIDE CEYLON FOR THE PURPOSE OF SUCH SERVICE, TO MAKE FINANCIAL PROVISION IN RESPECT OF CERTAIN ACTIVITIES OF THE GOVERNMENT DURING THAT FINANCIAL YEAR, TO ENABLE THE PAYMENT BY WAY OF ADVANCES OUT OF THE CONSOLIDATED FUND OF CEYLON OR ANY OTHER FUND OR MONEYS OF, OR AT THE DISPOSAL OF, THE GOVERNMENT, OF MONEYS REQUIRED DURING THAT FINANCIAL YEAR FOR EXPENDITURE ON SUCH ACTIVITIES, TO PROVIDE FOR THE REFUND OF SUCH MONEYS TO THAT CONSOLIDATED FUND, AND TO MAKE PROVISION FOR MATTERS CONNECTED WITH OR INCIDENTAL TO THE AFORESAID MATTERS.

(Date of Assent: September 30, 1965)

1. This Act may be cited as the Appropriation Act, No. 7 of 1965.

2. (1) Without prejudice to any other law authorizing any expenditure, the expenditure of the Government, which it is estimated will be rupees two thousand two hundred and twenty-three million two hundred and seventy-three thousand eight hundred and eighty-one for the service of the financial year beginning on October 1, 1965 and ending on September 30, 1966, shall be met—

- (a) from payments which are hereby authorized to be made out of the Consolidated Fund of Ceylon, or any other fund or moneys of, or at the disposal of, the Government; and
- (b) from the proceeds of loans which are hereby authorized to be raised, whether in or outside Ceylon, for and on behalf of the Government, so however, that the aggregate of such proceeds does not exceed rupees six hundred and twenty million.

The sum of rupees two thousand two hundred and twenty-three million two hundred and seventy-three thousand eight hundred and eighty-one hereinbefore referred to may be expended as specified in the First Schedule to this Act.

(2) The provisions of sub-section (1) of this section shall have effect without prejudice to the provisions of any other written law authorizing the raising of loans for and on behalf of the Government.

3. (1) The receipts of the Government, during the financial year referred to in section 2, from each activity specified in column I of the Second Schedule to this Act shall be credited to the account of such activity, but the aggregate of

the receipts so credited shall not exceed the maximum limit specified in the corresponding entry in column III of that Schedule. Any receipts from such activity in excess of such maximum limit shall be credited to the Consolidated Fund of Ceylon.

(2) The expenditure incurred by the Government, during the financial year referred to in section 2, on each activity specified in column I of the Second Schedule to this Act shall be paid out of the receipts of the Government from such activity during that financial year, but such expenditure shall not exceed the maximum limit specified in the corresponding entry in column II of that Schedule.

(3) The debit balance, outstanding at the end of the financial year referred to in section 2, of any activity specified in column I of the Second Schedule to this Act shall not exceed the maximum limit specified in the corresponding entry in column IV of that Schedule, and the total liabilities of that activity at the end of that financial year shall not exceed the maximum limit specified in the corresponding entry in column V of that Schedule.

4. Whenever, at any time during the financial year referred to in section 2, the receipts of the Government from any activity specified in column I of the Second Schedule to this Act are insufficient to meet the expenditure incurred by the Government on such activity, the minister of Finance may, from time to time, by Order direct that such sums as he may deem necessary to meet such expenditure shall be payable, by way of advances, out of the Consolidated Fund of Ceylon, or any other fund or moneys of, or at the disposal of, the Government, so however, that the aggregate of the sums so advanced does not exceed the maximum limit of expenditure specified in the corresponding entry in column II of that Schedule. Any sums so advanced in respect of such activity shall be refunded to that Consolidated Fund in such manner as the Minister of Finance may by Order direct.

5. Any moneys which, by virtue of the provisions of the First Schedule to this Act, have been allocated to any vote other than Votes Nos. 3, 5 and 7, appearing under any head specified in that Schedule but have not been expended and are not likely to be expended, may be transferred to any other vote under that head by order of the Secretary to the Treasury or other officer authorized by him.

6. The Minister of Finance, with the approval of the Government, may by Order vary or alter any of the maximum limits specified in column II, column III, column IV or column V, of the Second Schedule to this Act. Any such Order shall, if so expressed therein, be deemed to have had effect from such date prior to the date of the making of such Order as may be specified therein.

7. The House of Representatives may, by resolution, amend the Second Schedule to this Act, by adding to the appropriate columns of that Schedule, any activity and all or any of the maximum limits relating to such activity.

### **Note on the Schedules**

The First Schedule to this Act gives a break-down of the sums payable for the general service for the Financial Year beginning on 1st October, 1965, and ending on 30th September, 1966, estimated at Rupees two thousand two hundred and twenty-three million two hundred and seventy-three thousand eight hundred and eighty-one under various heads of general services.

The Second Schedule to this Act deals with the activities of the Government under Various departmental heads and specifies the maximum limits of expenditure, maximum limits of receipts to be credited to the accounts of the activities of Government, maximum limits of debit balances of the activities of Government, and the maximum limits of liabilities of the activities of Government under each separate head.

### **Finance (Special Provisions) Act, No. 10 of 1965**

AN ACT TO PROVIDE FOR THE REPEAL OF THE RELEVANT PROVISIONS OF WRITTEN LAW BY OR UNDER WHICH THE HEAVY OIL MOTOR VEHICLES TAX, THE BANK DEBIT TAX, THE TEMPORARY RESIDENCE TAX AND THE EXCHANGE TAX WERE LEVIED OR IMPOSED AND RECOVERED.

(Date of Assent: November 13, 1965)

1. This Act may be cited as the Finance (Special Provisions) Act, No. 10 of 1965, and shall,—

(a) in the event of this Act becoming an Act of Parliament before, or on, the first day of October, 1965, come into operation on the said first day of October; or

(b) in the event of this Act becoming an Act of Parliament on any date later than the said first day of October, be deemed, for all purposes, to have come into operation on the said first day of October.

2. The Heavy Oil Motor Vehicles Taxation Ordinance is hereby repealed with effect from the first day of January, 1966.

3. The Bank Debits Tax Act, No. 42 of 1957, is hereby repealed.

4. The Temporary Residence Tax Act, No. 36 of 1961 is hereby repealed.

5. Part II of the Finance Act, No. 11 of 1963, is hereby repealed.

## Holidays Act, No. 17 of 1965

AN ACT TO REPEAL THE HOLIDAYS ORDINANCE, AND TO REPLACE THAT ORDINANCE BY AN ACT EMBODYING NEW PRINCIPLES AND PROVISIONS WHICH, *INTER ALIA*, WILL GIVE DUE RECOGNITION TO POYA DAYS, AND TO MAKE PROVISION IN REGARD TO MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

1 This Act may be cited as the Holidays Act, No.17 of 1965, and shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

2 It is hereby declared that any custom or usage or written law whereby every Sunday—

- (a) has been a *dies non* in Ceylon shall cease to have the force and effect of law in Ceylon, and accordingly that no Sunday shall, by reason only of such custom or usage or law which had or purported to have had such force and effect, be or continue to be such a *dies non*;
- (b) has been kept as a holiday in Ceylon shall cease to have the force and effect of law in Ceylon, and accordingly that no Sunday shall, by reason only of such custom or usage or law which had or purported to have had such force and effect, be kept or continue to be kept as such a holiday ; and
- (c) has been kept as a close holiday in banks in Ceylon shall cease to have the force and effect of law in Ceylon, and accordingly that no Sunday shall, by reason only of such custom or usage or law which had or purported to have had such force and effect, be kept or continue to be kept as such a close holiday.

3. It is hereby declared that every Poya Day—

- (a) shall be a public holiday ; and
- (b) shall be a bank holiday.

4. (1) The following days shall, in addition to Poya Days, be public holidays:—

- (a) subject to the provisions of sub-sections (2) and (3), each day for the time being specified in the First Schedule to this Act ; and
- (b) any other day in respect of which there is an Order, for the time being in force, made by the Minister under section 13 (1) (a).

(2) For so long and so long only as there is in force an Order made by the Minister under section 13 (1) (b), then, any such day as shall be specified in that Order as the day which shall be a public holiday in lieu of any day referred to in

sub-section (1) (a) and specified in that Order shall, in accordance with the terms of that Order, be a public holiday in lieu of the day so referred to and specified ; and the provisions of that sub-section shall be read and construed subject to the preceding provisions of this sub-section.

(3) For so long and so long only as there is in force an Order made by the Minister under section 8 in respect of any public office or Government department, then, for the purposes of or in relation to that office or department or any holder of that office or any member of that department, only such of the days referred to in sub-section (1) (a) as are also specified in that Order shall be public holidays; and the provisions of that sub-section shall have force and effect subject to the preceding provisions of this sub-section.

5. (1) The following days shall, in addition to Poya Days, be bank holidays –

(a) subject to the provisions of sub-section (2) each day for the time being specified in the Second Schedule to this Act ; and

(b) any other day in respect of which there is an Order, for the time being in force, made by the Minister under section 14 (1) (a).

(2) For long and so long only as there is in force an Order made by the Minister under section 14 (1) (b), then, any such day as shall be specified in that Order as the day which shall be a bank holiday in lieu of any day referred to in sub-section (1) (a) and specified in that Order shall, in accordance with the terms of that Order, be a bank holiday in lieu of the day so referred to and specified; and the provisions of that sub-section shall be read and construed subject to the preceding provisions of this sub-section.

6. Every public holiday–

(a) shall be a *dies non*; and

(b) shall be kept as a holiday.

7. Every bank holiday shall be kept as a close holiday in every bank.

8. For the purpose of avoiding the causing of considerable inconvenience to the public or of disruption to services essential to the life of the community, the Minister, with the concurrence of the Minister charged with the administration of the functions of any public office or Government department, may, from time to time, by Order published in the *Gazette* declare that, for the purposes of or in relation to that office or department or any holder of that office or any member of that department, Poya Day shall not be a public holiday, and that, in addition, only such of the days for the time being specified in the First Schedule to this Act as are also specified in that Order shall, notwithstanding anything to the contrary in this Act, be public holidays. Such Order shall come into force upon the date of its publication in the *Gazette*, or upon such later date as may be specified therein. Such Order may be amended, revoked or replaced by a like Order made with like concurrence.

9. (1) No person shall be compellable to make any payment or do any act upon a bank holiday which he would not be compelled to do or make on a Poya Day, and accordingly the obligation to make such payment or to do such act shall apply to the day next following such bank holiday which is not itself a Poya Day or a bank holiday; and the making of such payment or the doing of such act on such following day shall be deemed, for all purposes, to be the equivalent to the making of such payment or the doing of such act on such bank holiday.

(2) Nothing in the preceding provisions of this section shall effect the law for the time being in force relating to bills of exchange or promissory notes, nor shall anything in such provisions apply to any payment or act to be made or done in a court or public office on a bank holiday which is not a public holiday.

10. The Minister may, from time to time, by Order published in the *Gazette* declare that, as respects any such year as shall be specified in that Order, each such day in each such month in that year as may be so specified shall be a Poya Day for the purposes of this Act. Any such Order shall come into force upon the date of its publication in the *Gazette*, or upon such later date as may be specified therein. Any such Order may be amended, revoked or replaced by a like Order.

11. (1) (a) Where, for the purpose of enabling the benefits and advantages of the new scheme of holidays embodied in the principles and provisions of this Act to be enjoyed by or extended to employees of any particular class or description, certain adjustments or changes in the terms or conditions of their employment are necessary but such adjustment or changes cannot be made or effected without amending or modifying the provisions of any written law (other than this Act) by or under which such terms or conditions are governed, then, the Minister may make regulations under this Act amending or modifying any such written law to such extent or in such manner as may be necessary for that purpose and, in particular but without prejudice to the generality of the powers conferred by the preceding provisions of this paragraph, so amending or modifying the Wages Boards Ordinance, the Shop and Office Employees (Regulation of Employment and Remuneration) Act, and the Factories Ordinance. In deciding upon the adjustments or changes to be so made or effected due regard shall be had both to the existing rights and obligations of employers and employees and to the desirability of ensuring that such adjustments or changes have as far as practicable no adverse impact on the general pattern of economic activity in Ceylon and on Ceylon's trade with other countries.

(b) In paragraph (a) of this sub-section, the expression "terms or conditions of employment" includes such matters as hours of work, remuneration, payment of overtime, holidays and hours or days of rest.

(c) No regulation shall be made by the Minister under this Act in respect of any matter referred to in the preceding provisions of this sub-section except with the prior concurrence of the Minister to whom the subject or function of Labour is assigned by the Prime Minister.

(2) (a) The Minister may make regulations under this Act for such purpose or purposes as may be necessary to give full force and effect to the principles and provisions of this Act.

(b) In particular, but without prejudice to the generality of the powers conferred by the preceding provisions of this sub-section, the Minister may make regulations for or in respect of all or any of the following matters:-

(i) all matters connected with the application and enforcement of this Act in respect of which the provisions of this Act require to be modified or supplemented to meet special contingencies or circumstances;

(ii) the determination or adjustment of any question or matter relating to public holidays and bank holidays or matters connected therewith or incidental thereto for the determination or adjustment of which no provision or effective provision is made by this Act;

(iii) the removal or adjustment of any conflict or inconsistency between the provisions of this Act and any other written law (other than any written law referred to in sub-section (1) );

(iv) all other matters connected with or incidental to the matters aforesaid.

(c) Regulations made under the preceding provisions of this sub-section may provide for all such amendments, modifications or variations in this Act or any other written law (not being any written law referred to in sub-section (1) ) as may be necessary to achieve the object of such regulations.

(3) Any regulation made under this Act may be of general application, or may be limited in its application to any specified purpose or purposes.

(4) No regulation made by the Minister under this Act shall have effect until it has been approved by the Senate and the House of Representatives, nor until notification of such approval has been published in the *Gazette*.

(5) Every regulation made by the Minister under this Act shall, upon the publication in the *Gazette* of a notification of the approval of that regulation as provided in sub-section (4), be deemed to be as valid and effectual as though it were herein enacted.

12. (1) The Minister may by Order published in the *Gazette*, from time to time, amend or vary the First Schedule or Second Schedule to this Act, whether by the addition thereto or by the omission therefrom of any day, or, from time to time, replace any such Schedule by a new Schedule incorporating all amendments or variations made under the preceding provisions of this sub-section.

(2) Any Order made by the Minister under sub-section (1) shall come into force on the date of its publication in the *Gazette*, or upon such later date as may be specified therein. Any such Order may be amended, revoked or replaced by a like Order.



13. (1) The Minister may, without amending or varying the First Schedule to this Act, from time to time, by Order published in the *Gazette*, declare that—

(a) any such day in any such month in any such year as may be specified in that Order, not being a day for the time being specified in that Schedule, shall be a public holiday for the purposes of this Act in addition to the days for the time being specified in that Schedule; or

(b) any such day in any such month in any such year as may be specified in that Order shall be a public holiday for the purposes of this Act, in lieu of any day for the time being specified in that Schedule.

(2) Any Order made by the Minister under sub-section (1) declaring any day to be a public holiday for the purposes of this Act shall come into force upon the date of its publication in the *Gazette*, or upon such later date as may be specified therein, and shall cease to be in force on the day immediately succeeding that day.

14. (1) The Minister may, without amending or varying the Second Schedule to this Act, from time to time, by Order published in the *Gazette*, declare that—

(a) any such day in any such month in any such year as may be specified in that Order, not being a day for the time being specified in that Schedule, shall be a bank holiday for the purposes of this Act, in addition to the days for the time being specified in that Schedule; or

(b) any such day in any such month in any such year as may be specified in that Order shall be a bank holiday for the purposes of this Act, in lieu of any day for the time being specified in that Schedule.

(2) Any Order made by the Minister under sub-section (1) declaring any day to be a bank holiday for the purposes of this Act shall come into force upon the date of its publication in the *Gazette*, or upon such later date as may be specified therein, and shall cease to be in force on the day immediately succeeding that day.

(15.) The Holidays Ordinance is hereby repealed.

(16.) In this Act, unless the context otherwise requires—

“bank holiday” means any day which is a bank holiday by virtue of the operation of the provisions of this Act;

“Poya Day” means any day which is declared to be a Poya Day by any Order, for the time being in force, made by the Minister under section 10;

“public holiday” means any day which is a public holiday by virtue of the operation of the provisions of this Act.

## **First Schedule**

### **PUBLIC HOLIDAYS**

National Heroes' Day (January 1).

The Tamil Thai Pongal Day.

Id-ul-Fitr (Ramazan Festival Day).

Independence Commemoration Day (February 4).

Maha Sivarathri Day.

The day immediately prior to the Sinhala and Tamil New Year's Day.

The Sinhala and Tamil New Year's Day.

Good Friday.

Easter Sunday.

May Day (May 1)

The day immediately prior to the Full Moon Day of the Sinhala month of Wesak.

Id-ul-Azha (Hadji Festival Day).

Milad-Un-Nabi (Holy Prophet's Birthday).

Deepavali Festival Day.

Christmas Day.

## **Second Schedule**

### **BANK HOLIDAYS**

The Tamil Thai Pongal Day.

Independence Commemoration Day (February 4).

The Sinhala and Tamil New Year's Day.

May Day (May 1).

Milad-Un-Nabi (Holy Prophet's Birthday)

June 30.

Deepavali Festival Day.

Christmas Day.

December 31.

## **Ceylon Petroleum (Foreign Claims) Compensation Act, No. 19 of 1965**

AN ACT TO GIVE EFFECT TO AGREEMENTS ENTERED INTO BETWEEN THE GOVERNMENT AND FOREIGN-OWNED PETROLEUM COMPANIES AS REGARDS THE COMPENSATION TO BE PAID TO SUCH COMPANIES FOR CERTAIN ASSETS OF SUCH COMPANIES WHICH WERE VESTED IN, OR REQUISITIONED FOR, THE CEYLON PETROLEUM CORPORATION UNDER THE PROVISIONS OF THE CEYLON PETROLEUM CORPORATION ACT, AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

(Date of Assent : December 18, 1965)

1. This Act may be cited as the Ceylon Petroleum (Foreign Claims) Compensation Act, No. 19 of 1965.

2. (1) Each petroleum compensation agreement to which this Act applies shall be deemed, at all times, to have been, and to be, duly entered into, notwithstanding anything to the contrary in the provisions of any written law (other than this Act), and accordingly—

- (a) the Minister of Finance, or any person authorized by such Minister in that behalf, shall be deemed, at all times, to have had, and to have, power and authority, on behalf of the Government, to have signed such agreement and all documents connected therewith, and to have done and to do all such acts or things as may have been and may be necessary for the purpose of entering into and implementing such agreement;
- (b) the Ceylon Petroleum Corporation, or the Chairman of such Corporation or any of its officers or servants, shall be deemed, at all times, to have had, and to have, power and authority, on behalf of such Corporation, to have done and to do all such acts or things as may have been and may be necessary for that purpose, and in particular, but without prejudice to the generality of the preceding provisions of this paragraph, to have paid and to pay out of the funds of such Corporation all such sums of money as are paid or caused to be paid in the implementation of such agreement;
- (c) the Compensation Tribunal established or constituted under the provisions of the Ceylon Petroleum Corporation Act shall be deemed, at all times, not to have had, and not to have, any power or authority or jurisdiction to hear or determine any claim for compensation in respect of any assets which are a subject-matter of such agreement, and any such claim shall be deemed, for all purposes, to have abated on the relevant date;
- (d) it shall be deemed, at all times, to have been, and to be, the duty of the Chairman or Secretary of the Compensation Tribunal, on being requested so to do by or on behalf of the Ceylon Petroleum Corporation, to have returned, and to return, to such Corporation all instruments or documents in the custody of the Compensation Tribunal relating to any assets which are a subject-matter of such agreement;
- (e) such agreement shall be deemed, on and after the relevant date, to have been, and to be, binding on the Government, the Ceylon Petroleum Corporation and the foreign-owned petroleum company which is a party to such agreement in regard to all matters in respect of which provision is made in such agreement;

(f) any right, title or interest of such foreign-owned petroleum company in or over any of the assets which are a subject-matter of such agreement shall be deemed, on and after that date, to have been transferred to and vested in such Corporation; and

(g) the full implementation of such agreement by the Government and the Ceylon Petroleum Corporation shall be deemed, on and after that date, to have constituted and to constitute, a full and final settlement of all matters in regard to which provision is made in such agreement.

(2) The Minister of Finance may, by general or special Order published in the *Gazette*, make such provision as may be necessary for the purpose of fully implementing each petroleum compensation agreement to which this Act applies including in particular, but without prejudice to the generality of the preceding provisions of this sub-section, provision that such Order shall have effect in respect of periods prior to the date of the commencement of this Act.

(3) Every Order made under the preceding provisions of this section shall come into force on the date of its publication in the *Gazette* and shall, as soon as convenient after such publication, be brought before the House of Representatives for approval. Any such Order which is so approved shall have the force and effect of law in Ceylon, and accordingly shall be as valid and effectual as though it were herein enacted. Any such Order which is not so approved shall be deemed to be revoked with effect from the date of its disapproval but without prejudice to the validity of anything previously done thereunder.

3. All sums payable by the Government under any petroleum compensation agreement to which this Act applies are, unless otherwise directed by the Minister of Finance by an Order under the preceding provision of this Act to be paid by the Ceylon Petroleum Corporation and so paid by the said Corporation, hereby charged on the Consolidated Fund of Ceylon.

4. In the event of any conflict or inconsistency between the provisions of this Act and of any petroleum compensation agreement to which this Act applies on the one hand, and the provisions of any other written law on the other hand, the first-mentioned provisions shall prevail over the provisions of such other written law, and accordingly the provisions of such other written law shall be read and construed subject to such first mentioned provisions:

Provided, however, that the principal of fair market value in determining the compensation due shall apply only to the petroleum compensation agreements to which this Act applies.

5. In this Act unless the context otherwise requires —

“assets” mean any immovable property within the meaning of the Ceylon Petroleum Corporation Act, and include any movable property;

“Ceylon Petroleum Corporation” means the Ceylon Petroleum Corporation established under the Ceylon Petroleum Corporation Act;

“Ceylon Petroleum Corporation Act” means the Ceylon Petroleum Corporation Act, No. 28 of 1961, as amended by the Ceylon Petroleum Corporation (Amendment) Act, No. 5 of 1963, and by any subsequent Act;

“Compensation Tribunal” means the Compensation Tribunal established or constituted under the Ceylon Petroleum Corporation Act;

“foreign-owned petroleum companies” mean —

(a) the Company commonly known as “Shell”, that is to say, The Shell Company of Ceylon, Limited, incorporated under the laws of England whose registered office is at Shell Centre, London, S.E. 1, in the United Kingdom;

(b) the Company commonly known as “Esso”, that is to say, Esso Standard Eastern Inc., incorporated under the laws of the State of Delaware, United States of America, and having an office at 15, West 51 st Street New York, United States of America, and a registered office in Ceylon at the State Bank Building, Baillie Street, Colombo; and

(c) the Company commonly known as “Caltex”, that is to say, Caltex Ceylon Limited incorporated under the law of Ceylon whose registered office is at 25, Galle Face Court, Colombo, Ceylon;

“petroleum compensation agreements to which this Act applies” mean the compensation agreements entered into between the Minister of Finance, on behalf of the Government, and the foreign-owned petroleum companies on the twenty-second day of June, Nineteen hundred and sixty-five and copies of which have been tabled in the Senate and the House of Representatives; and the expression “petroleum compensation agreement” shall be construed accordingly;

“relevant date” means the twenty-second day of June, Nineteen hundred and Sixty-five.

Circular No. 20

Central Bank of Ceylon,  
P. O. Box 590,  
Colombo.  
May 27, 1965.

Central Bank's Rates of Interest on Advances

(Reference: Sections 83 and 87 of the Monetary Law Act)

1. With effect from May 28, 1965, the rate of interest on advances by the Central Bank to commercial banks secured by the pledge of Government and Government guaranteed securities shall be 5% per annum.
2. With effect from May 28, 1965, the rate of interest on advances by the Central Bank to commercial banks secured by the pledge of Usance Promissory Notes relating to Commercial and Production loans shall be 5% per annum.
3. Circular No. 12 of January 26, 1961, is hereby withdrawn.

S. D. AMARASINGHE  
Chief Accountant,  
Central Bank of Ceylon.

D. W. RAJAPATIRANA  
Governor  
Central Bank of Ceylon.

Circular No: 21.

Central Bank of Ceylon,  
Colombo 1.  
June 21, 1965.

Commercial Bank Credit

There has been in progress in the past few years an excessive expansion of commercial bank credit to the private sector. This trend has continued unabated during the first quarter of the current year too. In order to regulate the expansion of bank credit during the next 12 months, the Central Bank has decided to require commercial banks to limit the increase in their total advances to the private sector (including State Corporations) during the 12 month period commencing on 15th June, 1965. The amount by which a bank could increase its advances during this period will be communicated to each bank separately. The term "advances" for the purpose of this Circular refers to the following asset items of commercial banks:-

Loans

Overdrafts

Import Bills financed

Local Bills financed.

S. D. AMERASINGHE  
Chief Accountant.

D. W. RAJAPATIRANA  
Governor.

Circular, No. 22

Central Bank of Ceylon,  
P. O. Box 590,  
Colombo-1,  
23rd November, 1965.

Commercial Bank Credit

The following provisions of our Circular No. 11 of 12th August, 1960 are hereby withdrawn with effect from today.

- (a) Margin requirements against Letters of Credit.
- (b) Para I of Section (B) dealing with commercial bank credit for the purpose of financing the importation into Ceylon of the goods specified in Schedule A of the Circular.

S. D. AMERASINGHE  
Chief Accountant  
Central Bank of Ceylon.

D. W. RAJAPATIRANA  
Governor  
Central Bank of Ceylon.