

**CENTRAL BANK OF SRI LANKA** 

17 July 2025

## **BANKING ACT DETERMINATION**

No. 01 of 2025

## AMENDMENTS TO THE BANKING ACT DETERMINATION NO. 04 OF 2024 ON APPROVED SECURITIES FOR ACCOMMODATION GRANTED TO RELATED PARTIES OF LICENSED BANKS

Banking Act Determination No. 04 of 2024 dated 01.10.2024 on Approved Securities for Accommodation granted to Related Parties of Licensed Banks is hereby amended by inserting Determination 2.1 (a) (iv) and Determination 4.2 immediately after Determination 2.1 (a) (iii) and Determination 4.1, respectively, as given below.

2. Approved 2.1(a)(iv) In the case of licensed banks facilitating the opening of Securities in Letters of Credit (LCs) on behalf of the Ministries and respect of Departments of the Government of Sri Lanka (GOSL) and Accommodation the State Owned Enterprises, accommodation may be granted to granted by such licensed banks with a letter of undertaking **Related Parties** issued by the General Treasury to the respective licensed bank and the borrower, providing applicable assurance on the availability of adequate provisions in the approved budget of GOSL to finance the liabilities committed under these LCs and the timely release of funds at the settlement of LCs, and provided further that such letters of undertaking are disclosed in detail as commitments in the financial statements of GOSL.

4. Regulatory 4.2 Additionally, licensed banks shall submit details of submissions
Additionally, licensed banks shall submit details of accommodation granted as per Determination 2.1 (a) (iv) to the Director of Bank Supervision as at the end of each quarter commencing 30.09.2025, within one month in the reporting format given in Annex I hereto.

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**Dr. PNandalal Weerasinghe** Chairman of the Governing Board and Governor of the Central Bank of Sri Lanka Banking Act Determination No. 04 of 2024 on Approved Securities for Accommodation Granted to Related Parties of Licensed Banks

	Details of Accommodation Granted as Letters of Credit (LCs) on behalf of Ministries & Departments of the Government of Sri Lanka and State Owned Enterprises with a Letter of Undertaking issued by the General Treasury As per Determination 2.1(a)(iv)								
Bank Name:									
Reporting Date: (Quarter ended as at) DD-MM-YYYY									

All amounts to be reported in LKR '000

Serial No.	Name of the Borrower	Denominated Currency	Amount in the Denominated Currency		LKR Equivalent Amount		Date of Opening	Date of		Details of Letter of Undertaking providing assurance of adequate budgetary provisions	
			Limit	Outstanding as at the Reporting Date	Limit	Outstanding as at the Reporting Date	of LC (dd/mm/yyyy)	maturity of LC (dd/mm/yyyy)	Purpose of Opening LC	Issuance Date of the Letter of Undertaking (dd/mm/yyyy)	Expiry Date of the Letter of Undertaking (dd/mm/yyyy)

Annex I