



CENTRAL BANK OF SRI LANKA

28 June 2024

BANKING ACT DETERMINATION

No. 02 of 2024

**AMENDMENTS TO THE BANKING ACT DETERMINATION NO. 01 OF
2019 ON ASSESSMENT OF FITNESS AND PROPRIETY OF CHIEF EXECUTIVE
OFFICER AND OFFICERS PERFORMING EXECUTIVE FUNCTIONS IN
LICENSED BANKS**

Banking Act Determination No. 01 of 2019 dated 19.12.2019 on Assessment of Fitness and Propriety of Chief Executive Officer and Officers Performing Executive Functions in Licensed Banks is hereby amended by replacing the Determinations 3.1 and 3.3 as given below.

3. Information to be furnished and deadline for submission
- 3.1 The person proposed to be appointed or nominated as Chief Executive Officer (CEO) or Officer Performing Executive Functions of a licensed bank shall submit the original Affidavit as given in Schedule I hereto, for the assessment of fitness and propriety, before such person is appointed or nominated to the designated post of a licensed bank.
- 3.3 The Company Secretary shall complete Schedule II hereto. The Chairman and CEO shall complete Schedule III hereto, with respect to CEO and Officers Performing Executive Functions of a licensed bank, respectively, and forward the Affidavit, Schedule II and Schedule III.

A handwritten signature in blue ink, appearing to read 'Daulagala'.

Mrs. K M A N Daulagala

*Chief Executive Officer/ Senior Deputy Governor of the
Central Bank of Sri Lanka*

Affidavit to be submitted by Chief Executive Officer and Officers Performing Executive Functions proposed to be appointed/nominated in Licensed Commercial Banks and Licensed Specialised Banks (hereinafter referred to as licensed banks) in terms of sections 42(2), 44A and 76H of the Banking Act No. 30 of 1988 (as amended)

AFFIDAVIT

I (full name), holder of National Identity Card No.¹ and Passport No.of..... (address), being a [Buddhist / Hindu/ Muslim/ Christian / Catholic/other..... (please specify)] do hereby [solemnly, sincerely and truly declare and make oath/ affirm (please specify as appropriate)] as follows:

- 1 I am the [affirmant / deponent] above named.
- 2 I state that I have been proposed to be appointed/nominated as the (designation) of (name of bank) which is a licensed commercial bank/licensed specialised bank under the Banking Act No. 30 of 1988, (as amended).
- 3 I state that I possess the following academic and/or professional qualification/s in Banking, Finance, Economics, Accounting, Business Administration, Information Technology, Risk Management, Law or any other relevant discipline as may be determined by the Central Bank of Sri Lanka according to the mandate/business model of the bank.

Qualifications	Relevant Discipline	Country	Name of the Institution	Year of Completion
Academic				
(i)				
(ii)				

¹ Not applicable for expatriates.

Professional				
(i)				
(ii)				

- 4 I state that I possess the following effective experience in Banking, Finance, Economics, Accounting, Business Administration, Information Technology, Risk Management, Law or any other relevant discipline as may be determined by the Central Bank of Sri Lanka, according to the mandate/business model of the bank.

Description	Name of the Institution/ Own Business	Designation /Position	Nature of Appointment *	Work Specialization	Date of Appointment (dd/mm/yyyy)	Service Period (dd/mm/yyyy to dd/mm/yyyy)
Current Positions						
Directorships						
Other Positions						
Previous Positions						
Directorships						
Other Positions						

* New Appointment/ Promotion/ Contract Basis/ Renewal of Contract/ Lateral Move/ Other (Please Specify)

- 5 I state that there is a finding/no finding by any regulatory or supervisory authority, professional association, any Commission of Inquiry, tribunal or other body established by law in Sri Lanka or outside Sri Lanka, to the effect that I have committed or have been connected with the commission of any act which involves fraud, deceit, dishonesty or any other improper conduct.
- 6 I state that I am subject/not subject to any proceedings, inquiry or investigation consequent upon being served with notice of a charge involving fraud, deceit, dishonesty or other similar criminal activity, by any court, tribunal, regulatory authority, supervisory authority, professional association, commission of inquiry, or any other body established by law, in Sri Lanka or outside Sri Lanka.

- 7 I state that I have been convicted /not been convicted by any court in Sri Lanka or outside Sri Lanka, in respect of a crime committed in connection with financial management or of any offence involving moral turpitude.
- 8 I state that I am/am not an undischarged insolvent or have been/not been declared a bankrupt in Sri Lanka or outside Sri Lanka.
- 9 I state that I have failed/not failed to satisfy any judgment or order of any court whether in Sri Lanka or outside Sri Lanka, to repay a debt².
- 10 I state that I have been/not been declared by a court of competent jurisdiction in Sri Lanka or outside Sri Lanka, to be of unsound mind.
- 11 I state that I have been/ not been removed or suspended by an order of a regulatory or supervisory authority, from serving as a Director/Chief Executive Officer/Officer Performing Executive Functions or any other officer in a licensed bank or any other financial institution or corporate body, in Sri Lanka or outside Sri Lanka.
- 12 I state that I have been/not been a Director, Chief Executive Officer or have held/not held any other position of authority in any bank or financial institution –
- (i) whose licence has been suspended or cancelled; or
 - (ii) which has been wound up or is being wound up, or which is being compulsorily liquidated;
- whether in Sri Lanka or outside Sri Lanka.
- 13 I state that to the best of my knowledge I am a fit and proper person to be appointed/nominated as the (designation) of a licensed commercial bank/licensed specialised bank in terms of the provisions of the Banking Act, No. 30 of 1988 (as amended).
- 14 I state that I am not prevented by any written law from being appointed to the above post.
- 15 I state that the information given in Annex I is to the best of my knowledge and belief, true and complete.

² Please refer 3(iii) of the “Guidance to Duly Complete the Affidavit and Declaration”.

The averments contained herein were read over to the [affirmant/deponent] who having accepted same as true, affirmed/swore to and placed his/her signature at on this day of (Month, Year)

Before me

Affix stamps
as applicable

JUSTICE OF THE PEACE
/ COMMISSIONER FOR
OATHS

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**Declaration to be submitted by Chief Executive Officer and Officers Performing
Executive Functions of Licensed Banks**

<p>Passport Size Photo</p> <p><i>(Taken within last 6 months)</i></p>
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DECLARATION

Name of the Bank:

Personal Information, Qualifications and Business Transactions

1. Personal Details

1.1	(i) Name with Initials:				
	(ii) Title: Mr/Mrs/Ms/Dr/Prof/Other (Please specify)		(iii) Age as at date of signing the affidavit: (dd/mm/yyyy)		
	(iv) Date of Birth: (dd/mm/yyyy)		(v) Sex:		
	(vi) Civil Status:	(vii) Nationality:	(viii) Citizenship ³ :		
			(ix) Local/expatriate:		
1.2	Contact Details	Permanent Address:			
		Residential Address:			
		(i) Telephone	Mobile		
			Fixed line		
			Fax		
		(ii) E- mail	Personal		
Official					
1.3	(i) Proposed Post/Designation in the bank:		(ii) Proposed date of appointment to the Post/Designation ³ (dd/mm/yyyy)		
1.4	(i) Details of Appointment of Chief Executive Officer/Officers Performing Executive Functions				
	New Appointment		Contract Basis		Lateral Move

³ A Dual Citizen is required to state whether he/she should be considered as local or expatriate.

	Promotion		Renewal of Contract		Other (Please specify)	
1.5	1.5.1 Details of close relations in terms of Section 86 of the Banking Act, No. 30 of 1988 (as amended)					
	(i) Full name of the Spouse:					
	(ii) NIC No:			(iii) Passport No:		
	1.5.2 Details of dependent children					
	(i) Full Name		(ii) NIC No:		(iii) Passport No:	

2. Additional qualifications, in addition to the above information:

Special Assignments / Consultancy/Advisory/Audit Services	Name of the Institution	Description	Service Period (dd/mm/yyyy to dd/mm/yyyy)
(i)			
(ii)			

3. Details of direct all and/or indirect share ownership in entities, presently held.

Name of the Institution/s	Voting/Non-voting	No. of Shares		For Indirect Holdings, Name of the Institution of Direct Holding	Percentage Holding	
		Direct	Indirect		Direct	Indirect

4. Business Transactions

4.1 I state that I have/do not have deposits with the licensed bank, its subsidiaries⁴ or associate companies⁵ (If yes, please state name/s of the institution/s).

4.2 I state that I currently have (had) the following business transactions during the two years immediately preceding the appointment, with the licensed bank, its subsidiaries, associate

⁴ 'Subsidiary' as defined in Section 17(3) of the Banking Act No.30 of 1988 (as amended).

⁵ 'Associate' as defined in Section 46(1) of the Banking Act No.30 of 1988 (as amended).

companies and affiliated companies/entities, and other related parties⁶ of the licensed bank.

Name of the Institution/s	Date of Transaction (dd/mm/yyyy)	Amount as at dd/mm/yyyy (Rs. mn)		Classification (Performing/ Non-performing)	Type and Value of Collateral (Rs.mn)	% of Bank's Regulatory Capital/ Relevant Entity's Capital
		Limit	Outstanding			
Borrowings⁷						
Investments⁸						

4.3 I state that I am the Guarantor for the following business transactions.

Type of Transaction	Name of the Institution/s	Date of Transaction (dd/mm/yyyy)	Amount as at dd/mm/yyyy (Rs.mn)

5. Appointments, Shareholdings and Business Transactions of Close Relations

5.1 I state that my close relations⁹ are presently employed as directors, chief executive officers, or officers performing executive functions of the following licensed banks, their subsidiaries, associate companies, affiliated companies/entities, and other related parties of the licensed bank, and other financial institutions as defined in the Central Bank of Sri Lanka Act No.16 of 2023.

Name of the Close Relation	Name of the Institution	Position

5.2 I state the following details of all direct and/or indirect share ownerships in entities, presently held by my close relations.

⁶ 'Related Parties' as defined in the Banking Act Directions No, 11 of 2007 and 12 of 2007 on Corporate Governance of Licensed Banks in Sri Lanka (as amended).

⁷ Shall include on-balance sheet and off-balance sheet borrowings.

⁸ Shall include debt instruments.

⁹ Close Relations as defined in the Section 86 of the Banking Act No.30 of 1988 (as amended).

Name of the Institution/s	Voting/Non-voting	No. of Shares		For Indirect Holdings, Name of the Institution of Direct Holding	Percentage Holding	
		Direct	Indirect		Direct	Indirect

5.3 I state that my close relations currently have (had) the following business during the two years immediately preceding the appointment, with the licensed bank, its subsidiaries, associate companies affiliated companies/entities, and other related parties of the licensed bank.

Name of the Close Relation	Name of the Institution	Date of Transaction (dd/mm/yy)	Amount as at dd/mm/yyyy (Rs.mn)		Type and Value of Collateral (Rs mn)	% of Bank's Regulatory Capital
			Limit	Outstanding		
Borrowings⁸						
Investments⁹						

6. Other Information

6.1 I state that I am subject to /not subject to supervision or regulation of regulatory authority/ies, supervisory authority/ies established outside Sri Lanka (if the answer is given in the affirmative, please specify the regulatory/supervisory Authority).

6.2 I state that the following information of the inquiries/investigations to which I have been subject to, conducted by the regulatory authority, supervisory authority, professional association, commission of inquiry, financial institution as defined in the Central Bank of Sri Lanka Act No.16 of 2023, or any other body established by law in Sri Lanka or outside Sri Lanka, if any:

Year	Name of the Institution	Subject Matter	Current Status

7. Any other explanation/information in regard to the information furnished above and other information considered relevant for assessing the suitability of the proposed person.

DECLARATION:

I state that I am aware of the provisions of the Banking Act No.30 of 1988 (as amended) and Direction and Determination issued thereunder, on assessment of fitness and propriety of my position and confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the licensed bank fully informed, as soon as possible, of all subsequent events, which are relevant to the information provided above.

Date: _____

*Signature of the Chief Executive Officer/Officer Performing
Executive Functions of the Licensed Bank*

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**Guidance to Duly Complete the Affidavit and Declaration
to be submitted by the Chief Executive Officers (CEOs) and Officers Performing
Executive Functions of Licensed Banks**

This guidance is issued to ensure that sufficient and accurate information is provided by banks for assessing the fitness and propriety of CEOs and Officers Performing Executive Functions prior to their appointments to the respective positions.

1. Purpose of Obtaining the Affidavit and Declaration

- (i) The purpose of obtaining affidavits and declarations of CEOs and Officers Performing Executive Functions of Licensed Banks is to enable the Bank Supervision Department of the Central Bank of Sri Lanka to assess their fitness and propriety of such officers to hold the respective position in terms of the provisions of the Banking Act No.30 of 1988 (as amended).
- (ii) Accordingly, the Bank Supervision Department requires comprehensive information to evaluate the qualifications, experience, integrity and compliance with the requirements specified in the Banking Act, to assess the suitability of CEOs, and Officers Performing Executive Functions prior to appointment of such person to the respective positions of respective bank.
- (iii) The Affidavit and Declaration submitted by the persons proposed to be appointed/nominated shall be the legally binding document in the event of any dispute/controversy.

2. Affidavit

- (i) It is preferable that the Affidavit is prepared as a fresh document, based on the format provided by the Bank Supervision Department, so as to avoid inclusion of unnecessary words. However, if the given format is filled, all alterations, erasures and interlineations should be initialed by the Commissioner for Oaths/Justice of the Peace immediately after all such amendments.
- (ii) All blank spaces should be completed appropriately.
- (iii) Appropriate words should be used based on the religion of the officer. If the officer refrains/objects to disclose his/her religion, a confirmation should be submitted by the officer stating that:
 - He/she is an atheist or belongs to a religion not mentioned in this Affidavit; or
 - He/she objects to disclosing his/her religion.

- (iv) Strike-out the irrelevant word(s). If the irrelevant words are stricken out, the Commissioner for Oaths/Justice of the Peace should place his initials immediately after all such amendments. If the answer is given in the affirmative, provide relevant information.
- (v) If the person is a foreigner and signs the Affidavit while overseas:
 - Signature of the person should be attested by a Commissioner for Oaths or an equivalent in the country in which he places his signature.
 - Attestation should be made in front of the diplomatic, consular officer of Sri Lanka in the country where the Officer resides or in terms of the laws applicable in such country.
- (vi) Affix a stamp for the value applicable as at the date of signing the Affidavit, if applicable.
- (vii) If the affidavit is executed in Sri Lanka, the same shall be attested by a Commissioner for Oaths/Justice of the Peace immediately after placing the signature of the person at 'Before me.'
- (viii) CEOs and Officers Performing Executive Functions shall submit Terms of appointment (including designation, date of appointment, duties, responsibilities and remuneration package).

3. Declaration

- (i) All sections of the Declarations should be:
 - duly completed and irrelevant sections, if any, should be stated as Not Applicable/Nil/None.
 - signed and dated.
- (ii) If there is no comment it should be state as Not Applicable/Nil/None.
- (iii) Officers Performing Executive Functions shall request the Credit Information Bureau of Sri Lanka to send their credit report directly to the Director of Bank Supervision via email to dbsd@cbsl.lk.

To be filled by the Company Secretary

1. Corporate Information

Recommendation of the Nomination Committee/Appointing Authority	
Name of the Licensed Bank	
Full Name of the person proposed to be appointed/ nominated as CEO or Officer Performing Executive Functions	
Assessment Criteria (Please specify the specific knowledge/skills considered by the Nomination Committee and the Appointing Authority)	
Recommendation (Please attach minutes of the resolution/decision of the Nomination Committee and the Appointing Authority)	

2. Remarks of the Board of Directors

- (1) Any other explanation / information regarding the details furnished above.
- (2) Submitted to the Board of Directors of the Bank /Approval has been granted by the Board of Directors for above proposed appointment or nomination at the meeting dated.....(dd/mm/yyyy)

3. I state that the affidavit has been completed in terms of Sections 42, 44A (with respect to licensed commercial banks), and 76H (with respect to licensed specialised banks) of the Banking Act, No. 30 of 1988 (as amended) and the Directions and Determinations, issued thereunder.

Name:

Signature of the Company Secretary and the Official Stamp:

Date:

For Chief Executive Officer (Local Licensed banks) - To be filled by the Chairperson

For Chief Executive Officer/Country Head (Branch of Foreign Banks) - To be filled by the Regional Head

For Officers Performing Executive Functions - To be filled by the Chief Executive Officer

Declaration:

- (1) Any other explanation / information regarding the details furnished above and other information considered relevant for assessing the suitability of the Chief Executive Officer/Officer Performing Executive Functions of the licensed bank.
- (2) I confirm that, in terms of Section 44A/ Section 76H read with Section 44A of the Banking Act, No. 30 of 1988, the officer referred to above is fit and proper to be appointed as the Chief Executive Officer/an Officer Performing Executive Functions of (Name of Bank)

Date:

**Signature of the Chairperson /
Regional Head / Chief Executive
Officer and the official stamp**