



**CENTRAL BANK OF SRI LANKA**

**28 June 2024**

**BANKING ACT DIRECTIONS**

**No. 03 of 2024**

**AMENDMENTS TO THE BANKING ACT DIRECTIONS NO. 08 OF 2019 ON  
ASSESSMENT OF FITNESS AND PROPRIETY OF DIRECTORS OF LICENSED  
BANKS IN SRI LANKA**

Banking Act Directions No. 08 of 2019 dated 19.12.2019 on Assessment of Fitness and Propriety of Directors of Licensed Banks in Sri Lanka are hereby amended by replacing Directions 2.1 and 2.3 as given below.

- |   |   |     |   |
|---|---|-----|---|
| 2 | Information to be furnished and deadline for submission | 2.1 | The person proposed to be appointed, elected or nominated as a Director 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, elected or nominated to the licensed bank. |
|   |   | 2.3 | The Company Secretary shall forward the Affidavit and Schedule II hereto with respect to the person proposed to be appointed, elected or nominated as a Director of a licensed bank and the continuing Directors of a licensed bank.  |

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 Directors proposed to be appointed/elected/nominated in licensed commercial banks and licensed specialised banks (hereinafter referred to as licensed banks) and the continuing Directors of licensed banks in terms of sections 42, and 76H of the Banking Act, No. 30 of 1988 (As amended)**

**AFFIDAVIT**

I ..... (full name),  
holder of National Identity Card No<sup>1</sup>..... 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, elected or 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
<b>Academic</b>				
(i)				
(ii)				
<b>Professional</b>				
(i)				
(ii)				

<sup>1</sup> Not applicable for expatriates.

- 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/ y yyyy)
<b>Current Positions</b>						
<b>Directorships</b>						
<b>Other Positions</b>						
<b>Previous Positions</b>						
<b>Directorships</b>						
<b>Other Positions</b>						

\* Independent/ Non-Independent/ Executive/ Non-Executive/ Alternate/ Ex-officio/ Other (Please Specify)

- 5 I state that there is a finding/no finding of 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 debt.
- 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 proposed to be appointed, elected or nominated as an Independent Non-Executive/ Non-Independent Non-Executive/ Executive/ Alternate/ Ex-officio Director/ Other (specify) of a licensed 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 hereto is to the best of my knowledge and belief, true and complete.

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 at ..... on this ..... day of ..... (Month, Year)

Affix stamps  
as applicable

Before me

JUSTICE OF THE PEACE /  
COMMISSIONER FOR OATHS

**Declaration to be submitted by proposed/continuing Directors in licensed banks**



**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 <sup>2</sup> : (ix) Local/expatriate:	
1.2	Contact Details	Permanent Address:		
		Residential Address:		
		(i) Telephone	Mobile	
			Fixed line	
			Fax	
		(ii) E- mail	Personal	
Official				
1.3	Occupation or Profession:			

<sup>2</sup> A Dual Citizen is required to state whether he/she should be considered as local or expatriate.

1.4	(i) Post/Designation proposed to be appointed in the bank:	(ii) Proposed date of appointment to the Post/Designation (dd/mm/yyyy)				
1.5	(i) Nature of the appointment (Please mark X in relevant box(es):					
	Independent		Executive		Alternate	
	Non-Independent		Non-Executive		<i>Ex-officio</i>	
			Senior Director		Other (Please Specify)	
	(ii) If non-independent, reasons for determining as non-independent <sup>3</sup> :					
(iii) If nominated by major shareholder/s, name/s of such nominating shareholder/s:						
(iv) If an Alternate, name of the Principal Director:						
1.6	1.6.1 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:		
	1.6.2. Details of dependent children					
	(i) Full Name	(ii)NIC No:		(iii) Passport No:		

## 2. Additional Qualifications:

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 all direct 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

<sup>3</sup> Please refer the criteria for determining independence of a director specified in the Banking Act, Directions No. 11 of 2007 and 12 of 2007 on Corporate Governance of Licensed Banks in Sri Lanka (as amended).

#### 4. Business Transactions

4.1 I state that I have/do not have deposits with the bank, its subsidiaries<sup>4</sup> or associate companies<sup>5</sup> (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 licensed banks, their subsidiaries, associate companies and affiliated companies/entities, and other related parties<sup>6</sup> 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 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			
<b>Borrowings<sup>7</sup></b>						
<b>Investments<sup>8</sup></b>						

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)

4.4 I state that I currently have/ do not have or have had/ have not had during the two years immediately preceding the appointment, a material business relationship<sup>9</sup> with the licensed bank.

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

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

<sup>6</sup> '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).

<sup>7</sup> Shall include on-balance sheet and off-balance sheet borrowings.

<sup>8</sup> Shall include debt instruments.

<sup>9</sup> "Material business relationship" shall mean a relationship resulting in income/non-cash benefits equivalent to 20 per cent of the director's annual income. Any income/non-cash benefits received by such director which are applicable on a uniform basis to all non-executive directors on the board shall not be considered in calculating the annual income for this purpose.

**5. Appointments, Shareholdings and Business Transactions of Close Relations**

5.1 I state that my close relations<sup>10</sup> 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.

Name of the close relations	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 transactions during the two years immediately preceding the appointment, with 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	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/relevant entity's capital
			Limit	Outstanding		
<b>Borrowings<sup>7</sup></b>						

<sup>10</sup> Close Relations as defined in the Section 86 of the Banking Act No.30 of 1988 (as amended).



<b>Investments<sup>8</sup></b>						

**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, 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:

<b>Year</b>	<b>Name of the Institution</b>	<b>Subject Matter</b>	<b>Current Status</b>

7. Any other explanation/information with regard to the information furnished above and other information considered relevant for assessing the suitability of the proposed or continuing director.

**DECLARATION:**

I state that I am aware of the provisions of the Banking Act, No. 30 of 1988 (as amended) and the Directions and Determinations 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 Director proposed to be appointed/elected /nominated

**Guidance to Duly Complete the Affidavit and Declaration  
to be submitted by the Proposed/ Continuing Directors of Licensed Banks incorporated in  
Sri Lanka**

This guidance is issued to ensure that complete and accurate information is provided by licensed banks for assessing the fitness and propriety of Directors, prior to his/her appointment, election or nomination, as the case may be, to the respective licensed bank in Sri Lanka.

**1. Purpose of obtaining the Affidavit and Declaration**

- (i) The purpose of obtaining Affidavits and Declarations of Directors of licensed banks is to enable the Bank Supervision Department of the Central Bank of Sri Lanka to assess the fitness and propriety of such directors 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 the Directors prior to their appointments to the respective licensed bank.
- (iii) The Affidavit and Declaration submitted by a director shall be legally binding documents 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 Central Bank of Sri Lanka, 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 in 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 Director 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.'

### **3. Declaration**

- (i) All sections of the Declaration 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 stated as Not Applicable/Nil/None.

**Assessment of Fitness and Propriety of Directors of Licensed Banks in Sri Lanka**  
**Information to be submitted by the Company Secretary**

**1. Corporate Information**

<b>Recommendation of the Nomination Committee/Appointing Authority for Directors</b>	
<b>Name of the Licensed Bank</b>	
<b>Full Name of the person proposed to be appointed/elected/nominated or continuing as a Director</b>	
<b>Assessment Criteria</b> (Please specify the specific knowledge/skills considered by the Nomination Committee and the Appointing Authority)	
<b>Recommendation</b> (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, nomination or election at the meeting dated.....(dd/mm/yyyy)

- 3.** I state that the affidavit has been completed in terms of Sections 42 (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:**