



**MONETARY BOARD
CENTRAL BANK OF SRI LANKA**

19 December 2019

BANKING ACT DIRECTIONS

No. 09 of 2019

**AMENDMENT TO THE BANKING ACT DIRECTIONS
Nos. 11 AND 12 OF 2007 ON CORPORATE GOVERNANCE FOR
LICENSED BANKS IN SRI LANKA**

Banking Act Directions Nos. 11 and 12 of 2007 on Corporate Governance for Licensed Commercial Banks and Licensed Specialised Banks in Sri Lanka dated 26 December 2007 are hereby amended by inserting the following new Direction. Licensed Commercial Banks and Licensed Specialised Banks shall hereinafter be referred to as licensed banks.

3(3) (iii) A Director or a Chief Executive Officer of a licensed bank operating in Sri Lanka shall not be appointed as a Director or a Chief Executive Officer of another licensed bank operating in Sri Lanka before the expiry of a period of 6 months from the date of cessation of his/her office at the licensed bank in Sri Lanka. Any variation thereto in exceptional situations such as where expertise of retiring bankers may be required when reconstituting Boards of licensed banks which need restructuring, shall be subject to the prior approval of the Monetary Board. In this regard, licensed banks shall ensure to adhere to the requirement of the cooling-off period when appointing Directors or Chief Executive Officer. If a Director is appointed to the licensed bank by an appointing authority violating these Directions, the licensed bank shall take steps to prevent such appointee from exercising any powers or enjoying any privileges or benefits.

Dr. Indrajit Coomaraswamy
*Chairman of the Monetary Board and
Governor of the Central Bank of Sri Lanka*