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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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வங்கி மேற்பார்வைத் திணைக்களம்

Bank Supervision Department

Ref.: 02/17/600/0003/002

06 June 2014

**To: Chief Executive Officers of Licensed Commercial Banks
and Licensed Specialised Banks**

Dear Sir/Madam

**Compliance with the requirements imposed under the Banking Act
on valuation of immovable property**

We write to inform you that the requirements on assessing the present market value of immovable property and the eligibility criteria for valuers as specified in paragraphs (i) and (ii) below shall be complied in accordance with the requirements of the Banking Act Directions No. 1 of 2014 on Regulatory Framework on Valuation of Immovable Property of Licensed Commercial Banks and Licensed Specialised Banks dated 05 June 2014.

- (i) Item 6.2.2.4.1 – “Revaluation Reserves” and Item 6.4.3.1.9 – “Claims Secured by Residential Property” of the Schedule I of the Banking Act Directions Nos. 9 and 10 of 2007 on Maintenance of Capital Adequacy Ratio, as applicable.
- (ii) Directions 7(1) (I) (iii) – “Current external professional valuation report” of the Banking Act Directions Nos. 3 and 4 of 2008 on Classification of Loans and Advances, Income Recognition and Provisioning, as applicable.

2. The Circular dated 19 April 1999 under reference BS/69/93 on “Criteria for selection of valuers undertaking the revaluation of fixed assets for the computation of the Capital Adequacy Ratio” is hereby revoked.

Yours faithfully

(Mrs.) T M J Y P Fernando
Director of Bank Supervision