

Directions issued by the Monetary Board in terms of Section 46(1) of the Banking Act, No. 30 of 1988, as amended.



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Senior Deputy Governor
Central Bank of Sri Lanka

Colombo
26 June 2014

BANKING ACT DIRECTIONS NO. 2 OF 2014
AMENDMENT TO BANKING ACT DIRECTIONS NO. 7 OF 2007 ON
MAXIMUM AMOUNT OF ACCOMMODATION

In the exercise of the powers conferred by Section 46(1) of the Banking Act, No. 30 of 1988, last amended by the Banking Act, No. 46 of 2006, the Monetary Board hereby issues following Directions amending Banking Act Directions No. 7 of 2007 dated 01 November 2007 issued by the Monetary Board of the Central Bank of Sri Lanka. These Directions may be cited as the Banking Act Directions No. 2 of 2014.

1. The following new Direction shall replace Direction 5 of the Banking Act Directions No. 7 of 2007 dated 01 November 2007.
 - 5 (1) In the case of accommodation granted as at any given date to any category of customers referred to in paragraphs 2(i) and 2(ii) above in excess of 15 per centum of the capital base of the licensed commercial bank, the sum total of the outstanding amount of accommodation granted to such customers shall not exceed 55 per centum of the total outstanding amount of accommodation granted by the licensed commercial bank to all customers as at the end of the immediately preceding month.
 - (2) The following accommodations shall be excluded from the computation of Direction 5(1) above.
 - (i) Accommodation granted to the Government of Sri Lanka (GOSL).
 - (ii) Accommodation granted in excess of the maximum limits specified under Directions 3 and 4 above with the approval of the Monetary

Board in terms of Direction 6 below.

(iii) Accommodation granted under Direction 7(iii) below.

2. The following new Directions shall be included immediately after Direction 7(ii) of the Banking Act Directions No. 7 of 2007 dated 01 November 2007.

(iii) Accommodation granted by a licensed commercial bank incorporated outside Sri Lanka if such accommodation is funded directly through funds raised from its Head Office and/or any branch of such bank operating outside Sri Lanka.