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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA



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இலங்கை வைப்புக் காப்புறுதித் திட்டம்
SRI LANKA DEPOSIT INSURANCE SCHEME

තැන්පතු රක්ෂණ සහ නිරාකරණ දෙපාර්තමේන්තුව
வைப்புக் காப்புறுதி மற்றும் தீர்மானங்கள் திணைக்களம்
DEPOSIT INSURANCE AND RESOLUTION DEPARTMENT

අංක 30, ජනාධිපති මාවත, කොළඹ 01, ශ්‍රී ලංකාව
இல. 30, சனாதிபதி மாவத்தை, கொழும்பு - 01, இலங்கை
No. 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka

22.12.2023

Circular No.: 01/2023

**To : Chief Executive Officers of all Member Institutions of the
Sri Lanka Deposit Insurance Scheme**

Dear Sir/Madam

**Operating Instructions: Part III of the Banking (Special Provisions) Act, No. 17 of 2023 -
Sri Lanka Deposit Insurance Scheme**

All member institutions (MIs) are hereby informed that the previous operating instructions issued under the Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulations No. 02 of 2021 and Operating Instructions (Circular No. 03/2021) on ‘Operating Instructions - Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulations, No. 02 of 2021’ are repealed and replaced with this circular with immediate effect, as the Banking (Special Provisions) Act, No. 17 of 2023 and the Banking (Special Provisions) Act, Directions No. 01 of 2023 became operative with effect from 15.11.2023.

1. Citation

These Operating Instructions are cited as ‘Operating instructions given under the Banking (Special Provisions) Act, No. 17 of 2023’ (hereinafter referred to as ‘the Act’).

2. Calculation of Premia

- All MIs shall calculate the premium as per the Section 7 (i) of the Directions No. 01 of 2023 on ‘Administration and Management of the Sri Lanka Deposit Insurance Scheme’.
- The premium should be calculated on the total amount of deposits inclusive of any interest accrued for the ‘eligible deposits’ referred in Section 43 of the Act.
- MIs shall reconcile any difference between the figures in the General Ledger of MIs and the returns submitted to the Sri Lanka Deposit Insurance Scheme (SLDIS) including foreign currency deposit liabilities.

3. Payment of Premia

- (a) The premium should be paid to the 'Sri Lanka Deposit Insurance Fund' within 15 calendar days from the end of the respective quarter/month through RTGS or other online transfer mode such as SLIPS or CEFT, mentioning the account name as 'Sri Lanka Deposit Insurance Fund - Account Number 54523'.
- (b) Further, all MIs are required to submit the duly signed (i.e., by the Chief Executive Officer and the Chief Financial Officer) 'Calculation of premium' as per Annex I of this Circular, through post, to the Director of Deposit Insurance and Resolution Department within a period of 15 calendar days from the end of the respective quarter/month.
- (c) All MIs should maintain a proper system of information to support the accuracy of calculation of premia.

4. Clarification on eligibility of certain deposits

The following is issued as a clarification in respect of calculating eligible deposits.

- (a) Deposit liabilities in the Off-shore Banking Unit need to be considered as eligible deposits.
- (b) Deposit liabilities in the overseas branches of the MI should not be considered in calculating the eligible deposits of the MI.

5. Conversion rates for foreign currency deposit liabilities

- (a) The daily indicative exchange rates issued by the International Operations Department of the Central Bank of Sri Lanka which is published in the Central Bank web site (<http://www.cbsl.gov.lk>) should be used to convert the foreign currency liabilities into local currency.
- (b) When the last day of the month falls on a holiday or a weekend, the daily indicative rate of the previous working day should be used for the conversion.

6. Penalty

- (a) Calculation of penalty, in the event of a default, including a delay or an under payment of premium, shall be in accordance with Section 7(iii) of Directions No. 01 of 2023 on 'Administration and Management of the Sri Lanka Deposit Insurance Scheme'. In this regard, the Treasury Bill rate that prevailed on the 16th day of every month plus 200 basis points shall be considered as the penalty rate.

- (b) Payment of penalty shall be made through RTGS or other online transfer mode such as SLIPS or CEFT, mentioning the account name as ‘Sri Lanka Deposit Insurance Fund - Account Number 54523’.

7. Reporting the Depositor Wise Details

- (a) MIs should maintain records of all depositors with a unique identification number for each depositor as per Section 44 (5) of the Act and the Banking Act Directions No. 7 of 2022 for Licensed Banks and the Finance Business Act Directions No. 3 of 2022 for Licensed Finance Companies.
- (b) MIs should submit depositor wise details of eligible deposits as at the end of the quarter/month to the SLDIS as per the format given in Annex II, until further notice, in an electronic form (in Excel format only) within a period of 15 calendar days from the end of the respective quarter/month.
- (c) MIs should ensure that the total of the Eligible Deposit Balance in Annex II tallies with the Total Eligible Deposits reported in Annex I of this Circular.

8. Submission of Depositor Data by Range

- (a) All MIs are required to submit the depositor data by range of eligible deposits on quarterly basis as per the format given in Annex III within 30 calendar days after the end of each quarter.
- (b) MIs should ensure that the total Eligible Deposit Value in Annex III tallies with the Total Eligible Deposit Balance reported in Annex I and Annex II.

9. Submission of FinNet Returns

MIs are required to submit the below mentioned returns through FinNet System using the link <https://www.cbsl.lk/FINNET/>. (Please refer User Guidelines and Instructions issued in the year 2022)

MI	FinNet Return	Relevant Return of manual submission	Submission Deadlines	Remarks
LBs	RED-QF-01-BPB: Payment of Premium on or before the due date or RED-QF-02-BPA: Payment of Premium after the due date	Return on ‘Calculation of Premium’ (Annex I)	Within 21 calendar days after the end of each quarter	Absolute values should be submitted

LFCs	RED-MF-01-FBP: Payment of Premium on or before the due date or RED-MF-02-FPA: Payment of Premium after the due date	Return on 'Calculation of Premium' (Annex I)	Within 21 calendar days after the end of each month	Absolute values should be submitted
Both LBs and LFCs	RED-QF-03-DS: Depositor Data by Range	Return on Depositor Data by Range (Annex III)	Within 30 calendar days after the end of each quarter	The total of column 3.1 in the return RED-QF-03-DS should tally with cell 1.6 of the relevant reports above

10. Contact Details of SLDIS

- (a) Postal Address: Director, Deposit Insurance and Resolution Department, Level 11, Central Bank of Sri Lanka, No. 30, Janadhipathi Mawatha, Colombo 01
- (b) Telephone No: 011-2477991/011-2398542 (through Mr. S Selvaprashanth/ Mrs. K G V Nuwarapaksha)
- (c) Fax: 011-2477764
- (d) E mail: ddir@cbsl.lk/ sldis@cbsl.lk
- (e) For FinNet issues:011-2398843 (Through Mrs. K A D C K Keeragala - dilshanikee@cbsl.lk)

11. Please refer to the weblink below for further details of SLDIS

<https://www.cbsl.gov.lk/en/sri-lanka-deposit-insurance-scheme>

Yours faithfully

Sgd.

D R Karunaratne

Director of Deposit Insurance and Resolution

**Sri Lanka Deposit Insurance Scheme
Payment of Premium**

1. **Name of the Member Institution** :
2. **Capital Adequacy Ratio (At the end of the immediately preceding financial year as per its audited accounts)** :
3. **Quarter/Month** :
4. **Premium to be Paid** (absolute value in Rupees)

Total deposit liability as per the general ledger	XXX
Add: Accrued interest	XXX
Total deposit liability with accrued interest	XXX
Less: Total excluded deposits	(XX)
Total eligible deposits	XXX
Applicable annual insurance premium rate (%)	XX
Total insurance premium to be paid for the quarter/month	XXX

We confirm that

- (a) The information provided in the above table are true and accurate.
- (b) The report of Depositor wise Details of Eligible Deposits submitted as per Annex II is true and accurate and Total value of the Depositor wise Details of Eligible Deposits of Annex II tallies with the Total Eligible Deposits value reported in the above table.

	Prepared by	Checked by	Authorized by
Signature of the Officer:
Name of the Officer:
Designation of the Officer:	Chief Financial Officer	Chief Executive Officer
Date:

Depositor Data by Range

Name of the Member Institution:

Quarter Ended:

Range	Eligible Deposit Value (in Rupees)	No. of Depositors	No. of Accounts
<= LKR 1,000			
LKR 1,001 – 5,000			
LKR 5,001 – 10,000			
LKR 10,001 – 25,000			
LKR 25,001 – 100,000			
LKR 100,001 – 500,000			
LKR 500,001 – 1,100,000			
LKR 1,100,001 – 1,500,000			
LKR 1,500,001 – 2,000,000			
LKR 2,000,001 – 3,000,000			
LKR 3,000,001 – 5,000,000			
> LKR 5,000,000			
Total			

We confirm that the information provided in the above table is true and accurate.

.....

Chief Financial Officer

.....

Name

Date.....

.....

Chief Executive Officer

.....

Name

.....

Notes

Eligible Deposit Value: Excluded deposit liabilities as per Section 43(3) of the Banking (Special Provisions) Act, No. 17 of 2023 shall be excluded from the total deposit value in order to arrive at the eligible deposit value (Total Deposits including accrued interest - Excluded Deposits = Eligible Deposits). It is required to consider the consolidated/aggregated eligible deposit value for each depositor when considering the applicable range of each depositor. Further, it is required to provide aggregate eligible deposit values of the member institution under each range of the above table and the total of the eligible deposit value column should be equal to the eligible deposit value considered for the payment of premium of the particular period as in Annex I – “Calculation of Premium”.

Number of Depositors: If a depositor (Individual/ Institution) possesses multiple deposits such as fixed, savings and time deposits within the member institution, he or she is considered as a single depositor and consolidated/aggregated deposit value of that depositor shall be considered when arriving at the per depositor eligible deposit value.

E.g. (1) If depositor A of your bank/Finance Company has deposits with you as follows.

Fixed Deposits

A001	100,000.00
B001	300,000.00

Savings A/c

C4562	<u>50,000.00</u>
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Consolidated/Aggregated **450,000.00**

Eligible Deposit Value of

Depositor A

According to the above example, depositor A belongs to the range of LKR 100,001-500,000, Eligible Deposit Value is Rs. 450,000 and No. of Depositors = 1

E.g. (2) If depositor B of your bank/Finance Company has deposits with you as follows.

Please note that in case of joint accounts, each joint holder shall be considered as a separate depositor and proportionate deposit value per joint holder shall be calculated.

Fixed Deposits

D001	400,000.00	Individual account
E001	300,000.00	Joint Account with C, total deposit value amounting to Rs. 600,000.00
F001	50,000.00	Joint Account with C and D, total deposit value amounting to Rs. 150,000.00
Savings A/c		
C4563	<u>50,000.00</u>	
Consolidated/Aggregated		
Eligible Deposit Value of		
Depositor B	<u>800,000.00</u>	

According to the above example, this depositor belongs to the range of LKR 500,001- 1,100,000, Eligible Deposit Value is Rs. 800,000 and No. of Depositors = 1

Number of Accounts: In reporting the number of accounts under each range (bucket), availability of number of joint holders or the per depositor deposit value should not be considered and number of accounts under each applicable range should be reported. Accordingly, if it is a joint deposit, applicable range should be decided considering the total deposit value of the account and it is not required to consider the number of joint depositors and per depositor eligible deposit value in selecting the applicable deposit range.

E.g.

If B, C and D are joint depositors and the deposit value of the certificate is Rs. 150,000.00, Range is LKR 100,001-500,000 and No. of Accounts = 1