



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

PRIMARY DEALER COMPANIES (MINIMUM CORE CAPITAL) DIRECTION NO.1 OF 2015

This direction is issued under Regulation 11(1)(o) of the Local Treasury Bills (Primary Dealers) Regulations No. 01 of 2009 dated 24.06.2009 and Regulation 11(1)(o) of the Registered Stock and Securities (Primary Dealers) Regulations No. 01 of 2009 dated 24.06.2009 made by the Minister of Finance under the Local Treasury Bills Ordinance No. 8 of 1923 and the Registered Stock and Securities Ordinance No. 7 of 1937, respectively, and shall be effective from 28.10.2015.

Lakshman Arjuna Mahendran
*Chairman of the Monetary Board and
Governor of the Central Bank of Sri Lanka*

Colombo.

Date: 28.10.2015

1. Every Primary Dealer Company shall, at all times, maintain an unimpaired core capital not less than Rs. 1,000 million (Rupees One Thousand million).
2. For the purposes of this Direction, 'minimum core capital' shall mean the Tier I Capital as defined in the Local Treasury Bills (Primary Dealers) Regulations No. 01 of 2009 and the Registered Stock and Securities (Primary Dealers) Regulations No. 01 of 2009.
3. An existing Primary Dealer Company that does not meet the minimum core capital of Rs. 1,000 million on the effective date of this Direction shall enhance its core capital in the following manner:
 - (a) The core capital on the effective date of this Direction shall be enhanced by at least 50 per cent of the deficiency by 31st March 2016; and
 - (b) The balance of the deficiency shall be met by 1st October 2016.
4. Every Primary Dealer Company shall maintain a Special Risk Reserve and shall, out of the net profits after the payment of tax of each year, before any dividend is declared, transfer to the Special Risk Reserve a sum not less than 10 per cent of such profits.
5. In this Direction, unless the context otherwise requires:-

"Primary Dealer Company" means a company which is appointed in terms of the Local Treasury Bills Ordinance No. 8 of 1923 and the Registered Stock and Securities Ordinance No. 7 of 1937 and excludes a Licensed Commercial Bank so appointed as a Primary Dealer.
6. The Direction on Enhancement of Minimum Capital Requirement, Dividend Distribution and Maintenance of Tier II Capital by Primary Dealers dated 18 April 2005 is revoked with effect from 28.10.2015.