



**GOVERNING BOARD
CENTRAL BANK OF SRI LANKA**

17 March 2026

FINANCE BUSINESS ACT DIRECTIONS

No.02 of 2026

ASSESSMENT OF BENEFICIAL OWNERS OF FINANCE COMPANIES

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| 1. Legal provisions | | In terms of the powers conferred by Section 12(1) of the Finance Business Act, No. 42 of 2011, the Central Bank of Sri Lanka (CBSL) hereby issues these directions on ‘Assessment of Beneficial Owners of Finance Companies’ to Finance Companies (FCs) licensed under the Finance Business Act, No. 42 of 2011. |
| 2. Objectives of the directions | | The objective of these Directions is to mandate FCs to identify and maintain adequate, accurate and up-to-date information on the Beneficial Owner/(s) of FC, to prevent criminals or their associates from holding (or being the Beneficial Owner/(s) of) a significant or controlling interest of FCs, and to ensure transparency of ownership and control structures of FCs. |
| 3. Responsibility of Board of Directors (BoDs) | 3.1
3.2
3.3 | 3.1 BoDs of FCs shall develop internal policies and procedures and ensure ongoing compliance with these Directions.
3.2 BoDs shall appoint the Company Secretary as the person responsible for maintaining, safe keeping and updating the Register on Beneficial Owners and for coordinating with the Department of Supervision of Non-Bank Financial Institutions (DSNBFI) for the purposes of these Directions.
3.3 BoDs shall ensure that the Beneficial Owner/(s) are aware of their obligations laid out by the Companies Act, No.7 of 2007 (as amended) and by these Directions. |
| 4. Obligation to obtain Beneficial | 4.1 | FCs shall identify its Beneficial Owner/(s), obtain a declaration, as in Annexure I, from every Beneficial Owner of FC, and assess such Beneficial Owner/(s) to ensure that such persons are not criminals or associates of criminals. |



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**Ownership
information**

- 4.2 FCs shall ensure that the information thus obtained is sufficient to identify its Beneficial Owner/(s), and the manner and means, through which, they exercise beneficial ownership.
- 4.3 FCs shall verify the information to confirm its accuracy by verifying the identity of the Beneficial Owner/(s) using reliable and independently sourced information.
- 4.4 Subject to the provisions of the Companies Act, No. 7 of 2007 (as amended), FCs shall maintain the Register on Beneficial Owners at its registered office, and such register shall be accessible, at any time, for inspection by the Director, DSNBFI, or any other person authorized by the Director, DSNBFI.
- 4.5 The register shall include, at least, the following information on Beneficial Owner/(s) of FC:
- (a) The full names and previous full names (if any) as appearing in the identification document;
 - (b) The dates and places of birth, nationalities, countries of residence, and the last known addresses (residential addresses, business addresses, email addresses and postal addresses), and contact details;
 - (c) The National Identity Card numbers, Tax Identification Numbers, or passport numbers and the countries of issuance;
 - (d) The nature and extent of the beneficial ownership in FC (i.e., percentage of shareholding, number of shares, class of shares, nature of control, etc.);
 - (e) Date on which the person became a Beneficial Owner and the date on which such beneficial ownership ceased (if applicable); and
 - (f) Information on the source of funds and source of wealth relating to the acquisition or holding of shares in FCs.



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- 4.6 Each FC shall ensure that the Register on Beneficial Owners is updated promptly, following any changes to shareholding, effective control or any other nature of beneficial ownership.
- 4.7 FCs may maintain the Register on Beneficial Owners on a secured information technology platform to facilitate reporting and verification of information against other authorized data sources.
- 5. Verification and Due Diligence** Where beneficial ownership is held by/through nominee arrangements, complex/layered structures, politically exposed persons, indirect control via trusts, foundations, special purpose vehicles, FCs shall undertake enhanced verification and due diligence, in line with applicable regulations and its Anti-Money Laundering/ Countering the Financing of Terrorism/ Countering Proliferation Financing policies and procedures.
- 6. Record Keeping**
- 6.1 FCs shall retain all beneficial ownership information and underlying documentation (e.g. documentation of the steps undertaken and documents relied upon to identify and verify Beneficial Owner/(s)), during the period the person being a Beneficial Owner, and at least for a period of ten years, after the date on which the person ceases to be a Beneficial Owner.
- 6.2 FCs shall, however, retain the above records where Beneficial Owner/(s) are involved in any proceedings before a court of law, including civil or criminal litigation, trial, or where FC is aware or where information is sought for an investigation carried out by any law enforcement authority or where required to be produced in a court of law or before any other appropriate authority.
- 7. Confidentiality**
- 7.1 FCs shall ensure that appropriate internal controls, including measures to ensure confidentiality of information, are in place while handling



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- sensitive personal data in accordance with applicable laws, especially where the Beneficial Owner/(s)' personal information is collected, stored and transmitted.
- 7.2 Such internal controls and confidentiality obligations shall not restrict or delay access to such information by CBSL, the Financial Intelligence Unit, law enforcement authorities, or by a court of laws, as may be required under applicable laws.
- 8. Submission of information to the regulator**
- 8.1 FCs shall submit, in the format and manner prescribed by the Director, DSNBFI, the information on beneficial ownership on an annual basis or as required by the Director, DSNBFI. The Company Secretary shall verify and authorize this return to ensure that the information is accurate and up-to-date.
- 8.2 The Director, DSNBFI may require submission of additional information, documentation and evidence for verification or due diligence, which shall be submitted promptly.
- 8.3 FCs shall immediately notify the Director, DSNBFI, of;
- a) any material change in beneficial ownership, or where a beneficial owner is found to be a criminal or an associate of a criminal; and
 - b) its inability to obtain or verify beneficial ownership information for any Beneficial Owner/(s), explaining the reason for such inability, steps taken to rectify and expected timeline for remediation.
- 9. Definitions**
- 9.1 The following definitions shall be applicable for the purposes of these directions:
- a) "Beneficial Owner" means a natural person who ultimately owns or controls ten per cent or more of a company, in whole or in part, through direct or indirect ownership or control of shares or voting



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rights or other ownership interest in that company and also includes a natural person who exercises effective control through other means, and beneficial ownership is to be construed accordingly.

- b) “Effective control” includes a situation where control is exercised indirectly either through a chain of ownership or by appointment or removal of a director or by any other means of indirect control, such as the ability to take strategic decisions that affects the operations of the company, its business practices or general direction of the company.

Dr. P Nandalal Weerasinghe
*Chairperson of the Governing Board and
Governor of the Central Bank of Sri Lanka*

DECLARATION FORM OF BENEFICIAL OWNERSHIP

A. PERSONAL INFORMATION

Particulars	Details
1. Full Name (as per NIC/Passport)	
2. Previous/ Other Names (if any)	
3. National Identity Card (NIC)/ Passport No.	
4. Country of issuance of NIC/ Passport	
5. Tax Identification No.	
6. Date of Birth	
7. Place of Birth	
8. Nationality	
9. Citizenship/s	
10. Permanent Address	
11. Residential Address	
12. Contact No.	
13. E-mail Address	
14. Business Address	

B. RELATIONSHIP WITH THE FINANCE COMPANY

- Beneficial ownership was acquired through: Shareholding Effective Control
- Date on which the beneficial ownership was acquired: _____
- Details of shareholding:

Number of shares	Class of shares	Per centage of shareholding	Mode of holding (Direct, Indirect)	Date of acquisition

- If shares are held **indirectly**, indicate the intermediate entities through which the ultimate interest is held and attach a shareholding structure diagram.
- If beneficial ownership was acquired through effective control, describe the nature of control.

C. DECLARATION

I declare that:

1. I am the **beneficial owner** of the above interest in [name of the finance company].
2. I am **not acting as a nominee, agent, trustee or in any other capacity** on behalf of another party.

D. SOURCE OF FUNDS (for acquisition of beneficial ownership, if through shareholding)

Source	Value (Rs.)
Personal savings	<input type="checkbox"/>
Business income	<input type="checkbox"/>
Sale of assets	<input type="checkbox"/>
Inheritance	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>

E. FIT AND PROPER DECLARATION

If you have answered “Yes” to any questions below, give full details in a separate sheet.

	Yes	No
1. Have you ever been convicted by any court in Sri Lanka or abroad in respect of any crime committed involving dishonesty, financial impropriety, fraud, or moral turpitude?	<input type="checkbox"/>	<input type="checkbox"/>
2. Have you ever been declared insolvent or bankrupt in Sri Lanka or abroad?	<input type="checkbox"/>	<input type="checkbox"/>
3. Have you been a director, shareholder, or key officer of any institution whose licence was cancelled or application refused by a regulator, in Sri Lanka or abroad?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are you currently under investigation or subject to any regulatory, tax, or law-enforcement proceedings?	<input type="checkbox"/>	<input type="checkbox"/>
5. Have you been penalised, censured, or disqualified by any regulatory or professional body?	<input type="checkbox"/>	<input type="checkbox"/>
6. Are you involved in any ongoing civil or criminal litigation which may have a bearing on your reputation or financial integrity?	<input type="checkbox"/>	<input type="checkbox"/>
7. Have you ever been designated under any United Nations Security Council Resolutions (UNSCRs)?	<input type="checkbox"/>	<input type="checkbox"/>

F. UNDERTAKING

I undertake to:

1. Promptly inform [name of the finance company] of any change to the particulars stated herein.
2. Provide any additional information or clarification that may be requested for verifying my beneficial ownership.
3. Abide by all applicable laws, regulations, and directions issued by the Central Bank of Sri Lanka and other competent authorities from time to time.

G. DECLARATION

I, _____, hereby declare that the particulars given above are **true, complete, and correct** to the best of my knowledge and belief.

I further understand that **making a false declaration** is an offence under the applicable laws.

Signature of Declarant : _____

Full Name : _____

NIC/Passport No. : _____

Date : _____

Place : _____

Attachments Checklist

- Copy of NIC / Passport
- Copy of Share Certificate(s)
- Shareholding / Beneficial Ownership Structure Diagram
- Supporting documents for source of funds
- Any additional information