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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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# **Press Release**

Issued By

**Department of Supervision of Non Bank Financial Institutions**

Date

**22 November 2013**

## **Strengthening Finance Companies and Banks**

The Central Bank notes the several measures proposed in the Budget 2014 to strengthen the licensed finance companies, where, with a view to encouraging consolidation in the financial sector, tax incentives have been offered for the strengthening of finance companies. In this regard, in keeping with the proposal articulated by the Hon. Minister of Finance, the Central Bank would issue guidelines in relation to the merger and consolidation of finance companies, at the time of the release of the Central Bank Road Map 2014 and Beyond, on 2<sup>nd</sup> January 2014.

These new measures would be in addition to the series of measures taken by the Central Bank since 2009, where finance companies that were facing liquidity constraints have undergone restructuring processes under the supervision of the Central Bank. Such restructuring schemes included the appointment of Managing Agents, Restructuring of balance sheets, and the Infusion of capital by new investors. The Central Bank also introduced a liquidity support scheme from the Deposit Insurance Fund in September 2013. As a result, the finance companies facing liquidity constraints are now conducting normal business operations, and the new measures are expected to strengthen those companies further.