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Press Release

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Regulatory actions taken by the Central Bank of Sri Lanka on The Finance Company PLC

The attention of the Central Bank of Sri Lanka (CBSL) has been drawn to certain information published in newspapers and news websites on 26th November 2019 regarding the regulatory actions taken by the CBSL on The Finance Company PLC (TFC) and it wishes to clarify the following.

The CBSL issued a notice of cancellation of the licence granted to TFC to carry on finance business under the Finance Business Act No. 42 of 2011 (FBA) on 23rd October 2019. The CBSL also informed that in terms of the provisions of the FBA, the company has the right to submit an acceptable proposal for investment in TFC along with proof of funds for capital infusion and a Business Restructuring Plan for the consideration of the CBSL within 30 days from the date of issuance of such notice.

Even though aforementioned news articles mentioned that TFC informed the Colombo Stock Exchange (CSE) that it has been approached by three interested parties to consider investing in the company, no such proposals have been submitted to the CBSL, so far.

Therefore, CBSL wishes to clarify that the information published in the articles in newspapers and news websites regarding any potential investments is not true and correct.

In view of the above, the CBSL wishes to inform that in terms of the FBA, the Monetary Board shall take a decision on the notice of cancellation issued to TFC after the expiration of 60 days from the date of notice of cancellation.