



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**MONETARY LAW (AMENDMENT )  
ACT, No. 9 OF 2006**

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[Certified on 31st March, 2006]

*Printed on the Order of Government*

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*Monetary Law (Amendment) Act, No. 9 of 2006*

[Certified on 31st March, 2006]

L.D.–O. 15/2006.

AN ACT TO AMEND THE MONETARY LAW ACT

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

1. This Act may be cited as the Monetary Law (Amendment) Act, No. 9 of 2006. Short title.

2. The Monetary Law Act, (Chapter 422) (hereinafter referred to as the “principal enactment”) is hereby amended by the substitution for the heading appearing in Part VII of Chapter V thereof, the following heading: - Amendment of heading to Part VII of Chapter 422.

“PART VII

ADDITIONAL REGULATION OF CREDIT OPERATIONS OF BANKING INSTITUTIONS AND LICENSED SPECIALIZED BANKS”.

3. The following new section is hereby inserted immediately before section 99 of Part VII of Chapter V and shall have effect as section 98B of that enactment :— Insertion of new section 98B in the principal enactment.

“Interpretation for Part VII. 98B. For the purposes of this Part of this Act, “licensed specialized bank” shall have the same meaning as in the Banking Act, No. 30 of 1988.”.

4. Section 100 of the principal enactment is hereby amended by the substitution for the words “by commercial banks after” of the words “by commercial banks and licensed specialized banks after”. Amendment of section 100 of the principal enactment.

5. Section 101 of the principal enactment is hereby amended as follows : - Amendment of section 101 of the principal enactment.

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- (1) in subsection (1) of that section,
  - (a) by the substitution in paragraph (a) thereof, for the words “prohibit commercial banks from” of the words “prohibit commercial banks and licensed specialized banks from”;
  - (b) by the substitution in paragraph (b) thereof, for the words “within specified periods:” of the words “within specified periods; or”;
  - (c) by the addition immediately after paragraph (b) thereof, of the following new paragraph: -
    - “(c) fix the minimum percentage of loans to be extended, to any identified sector of the economy, by the commercial banks or licensed specialized banks:”;
    - and
  - (d) in the proviso thereto, by the substitution for the words “require any commercial bank to” of the words “require any commercial bank or licensed specialized bank to”; and
- (2) in subsection (2) of that section, by the substitution for the words “of each commercial bank” of the words “of each commercial bank or licensed specialized bank”.

Amendment of section 102 of the principal enactment.

**6.** Section 102 of the principal enactment is hereby amended by the substitution for the words “surplus of commercial banks” of the words “surplus of commercial banks and licensed specialized banks”.

Amendment of section 104 of the principal enactment.

**7.** Section 104 of the principal enactment is hereby amended as follows: -

- (1) in subsection (1) of that section, by the substitution for the words “which commercial banks may” appearing in paragraphs (a) and (b) thereof, of the words “which commercial banks and licensed specialized banks may”; and
- (2) in subsection (3) of that section, by the substitution for the words “by commercial banks in” of the words “by commercial banks and licensed specialized banks in”.

**8.** Section 105 of the principal enactment is hereby amended by the substitution for the words “held by banking institutions” and “by such institutions” of the words “held by banking institutions and licensed specialized banks” and “by such institutions and banks” respectively.

Amendment of section 105 of the principal enactment.

**9.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency.

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