



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

MONETARY LAW
(AMENDMENT)
ACT, No. 26 OF 1995

[Certified on 17th November, 1995]

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**Monetary Law (Amendment)
Act, No. 26 of 1995**

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L.D.—O. 83/93

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. 26 of 1995. Short title.

2. The following new Chapter is hereby inserted immediately after Chapter V of the Monetary Law Act (Chapter 422) (hereinafter referred to as the "principal enactment") and shall have effect as Chapter VA of that enactment:— Insertion of new Chapter VA in Chapter 422.

"CHAPTER VA

THE CENTRAL BANK TO PURCHASE SHARES IN CERTAIN COMPANIES

Central Bank to purchase shares in companies.

105A. Notwithstanding any other provision in this Act or anything in any other written law, the Central Bank may acquire and hold shares in any company which in the opinion of the Monetary Board was formed for the advancement and promotion of human resources and technological development in the banking and financial sector in Sri Lanka, or to provide for all or any of the facilities referred to in subsection (1) of section 98 or 112A of this Act."

3. The following new sections are hereby inserted immediately after section 112 of the Principal enactment and shall have effect as sections 112A and 112B of the principal enactment:— Insertion of new sections 112A and 112B in the principal enactment.

'Accounts maintained by non-commercial bank primary dealers.

112A. The Central Bank shall provide facilities—

(a) for non-commercial bank primary dealers to maintain accounts at the Central Bank for the purpose of settling securities transactions;

(b) for direct participants including any direct participants which are not commercial banks, to

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maintain accounts at the Central Bank for the purpose of holding scripless securities, clearing and settling transactions in scripless securities among direct participants.

For the purpose of this section—

“direct participant” means a person appointed as a direct participant under section 21b of the Registered Stock and Securities Ordinance or under the Local Treasury Bills Ordinance;

“non-commercial bank primary dealer” means a primary dealer who is not a commercial bank;

“primary dealer” means any commercial bank, company or other person appointed by the Monetary Board as a primary dealer for the purpose of dealing with the Central Bank as a counterparty in the primary and secondary market for stock and securities;

“scripless securities” means securities issued in scripless form; and

“securities” means—

(i) treasury bills issued in accordance with the provisions of the Local Treasury Bills Ordinance, whether issued in scripless form or otherwise;

(ii) registered stock or securities issued in accordance with the provisions of the Registered Stock and Securities Ordinance whether issued in scripless form or otherwise;

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(iii) any securities of the Central Bank whether issued in scripless form or otherwise.

Any body corporate to provide facilities to carry out functions under section 98(1) or 112A.

112B. The Central Bank may for the purpose of performing duties imposed on it by subsection (1) of section 98 or section 112A, authorize any body corporate to provide all or any of the facilities referred to in those sections.

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

Sinhala text to prevail in case of inconsistency.

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