PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

RECOVERY OF LOANS BY BANKS

(SPECIAL PROVISIONS) (AMENDMENT)

ACT, No. 1 OF 2011

[Certified on 28th January, 2011]

Printed on the Order of Government

Published as a Supplement to Part II of the Gazette of the Democratic

Socialist Republic of Sri Lanka of January 28, 2011

PRINTEDAT THE DEPARTMENTOFGOVERNMENT PRINTING, SRILANKA

TO BEPURCHASED AT THEGOVERNMENT PUBLICATIONSBUREAU, COLOMBO 5

Price : Rs. 2.00 Postage : Rs. 5.00

Recovery of Loans by Banks (Special Provisions) 1

(Amendment) Act, No. 1 of 2011

[ Certified on 28th January, 2011]

L.D.—O. 11/2010.

ANACT TO AMEND THE RECOVERY OF LOANS BY BANKS

(SPECIAL PROVISIONS) ACT, NO. 4 OF 1990

BE it enacted by the Parliament of the Democratic Socialist

Republic of Sri Lanka as follows :—

1. This Act may be cited as the Recovery of Loans by Short title.

Banks (Special Provisions) (Amendment) Act, No. 1 of 2011.

2. The following new section is hereby inserted Insertion of new

section 5A in the

immediately after section 5 of the Recovery of Loans by

Recovery of

Banks (Special Provisions) Act, No. 4 of 1990 (hereinafter Loans by Banks

referred to as the “principal enactment”) and shall have effect (Special

as section 5A of that enactment :— Provisions) Act,

No. 4 of 1990.

“Application 5A. (1) No action shall be initiated in terms

of sections 3, of section 3 of the principal enactment for the

4 and 5 in

recovery of any loan in respect of which default

relation to

loans is made, nor shall any steps be taken in terms

exceeding of section 4 or section 5 of the aforesaid Act,

rupees five where the amount of such loan is less than

million. rupees five million :

Provided however, at the time of default

when calculating the amount due and owing

to the Bank on the loan granted to such

defaulter, the interest accrued on such loan and

any penalty imposed thereon, shall not be

taken into consideration.

(2) The provisions of section 5A of this Act,

shall also apply in relation to any bank

established by an Incorporation Order made

under the provisions of any written law for the

time being in force, notwithstanding any

provisions relating to the recovery of loans by

any such bank.”.

2 Recovery of Loans by Banks (Special Provisions)

(Amendment) Act, No. 1 of 2011

Replacement of 3. Section 22 of the principal enactment is hereby

section 22 of the

repealed and the following section substituted therefor :—

principal

enactment.

“Interpretation. 22 “bank” means a licensed commercial

bank or a licensed specialised bank within the

meaning of the Banking Act, No. 30 of 1988

which is empowered to take possession of

movable or immovable property which has

been mortgaged to the bank as security for any

loan, overdraft, advance or other accomodation

and in respect of which default has been

made.”.

Sinhala text to 4. In the event of any inconsistency between the Sinhala

prevail in case and Tamil texts of this Act, the Sinhala text shall prevail.

of inconsistency.

Recovery of Loans by Banks (Special Provisions) 3

(Amendment) Act, No. 1 of 2011

Annual subscription of English Bills and Acts of the Parliament Rs. 885 (Local), Rs. 1,180

(Foreign), Payable to the SUPERINTENDENT, GOVERNMENT PUBLICATIONS BUREAU, DEPARTMENT OF

GOVERNMENT INFORMATION, NO. 163, KIRULAPONA MAWATHA, POLHENGODA, COLOMBO 05 before 15th

December each year in respect of the year following.