

PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

DFCC BANK (REPEAL AND

CONSEQUENTIAL PROVISIONS)

ACT, No. 39 OF 2014

[Certified on 01st November, 2014]

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DFCC Bank (Repeal and Consequential 1

Provisions) DFCC Act, No. 39 of 2014

[Certified on 01st November, 2014]

L.D.—O.25 / 2014.

ANACT TO MAKE PROVISIONS FOR REGISTRATION OF THE DFCC BANK

AS APUBLIC LIMITED COMPANY WITH THE NAME “DFCC BANK PLC”

AND TO PROVIDE FOR THE PROVISIONS CONSEQUENTIAL TO SUCH

REGISTRATION ; TO REPEAL THE DFCC BANK ACT (CHAPTER 165)

AND FORMATTERS CONNECTED THEREWITHOR INCIDENTAL THERETO

BE it enacted by the Parliament of the Democratic Socialist

Republic of Sri Lanka as follows:—

1. This Act may be cited as the DFCC Bank (Repeal Short title.

and Consequential Provisions) Act, No. 39 of 2014.

2. The DFCC Bank Act (Chapter 165) shall as from such Repeal of the

date as may be specified by the Minister by Order published DFCC Bank Act

(Chapter 165).

in the Gazette (hereinafter referred to as the “specified date”)

be repealed. Such date shall be a date which is not later than

six months from the date of commencement of this Act.

3. (1) The Minister may, at any time after the date of Registration of

commencement of this Act, forward to the Registrar of the DFCC Bank

as a public

Companies Articles of Association duly approved by the

limited company

Monetary Board together with a direction to such Registrar under the

requiring him to register the DFCC Bank as a public limited Companies Act,

company under the Companies Act, No. 07 of 2007, with the No. 07 of 2007.

name “DFCC Bank PLC” with effect from the specified date.

(2) Notwithstanding anything contained in the

Companies Act, No. 07 of 2007, the Registrar of Companies

shall, on receipt of a direction under subsection (1)—

(a) issue a Certificate of Incorporation under subsection

(1) of section 5 of the aforesaid Act, in the name

“DFCC Bank PLC”; and

(b) publish an Order in the Gazette declaring that from

the specified date a public limited company is

incorporated in the name “DFCC Bank PLC”

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(hereinafter referred to as “the Company”) to take

over and carry on the business of the DFCC Bank

as a going concern.

Business of 4. With effect from the specified date, the business of

DFCC Bank to the DFCC Bank shall vest absolutely in the Company.

vest in the

Company.

Transitional 5. With effect from the specified date notwithstanding

provisions. any provision in any other law—

(a) the share capital and any amount lying to the credit

of the share premium account, of the DFCC Bank

on the day immediately preceding the specified

date shall be deemed to be the stated capital of the

Company as at the specified date;

(b) all shareholders of the DFCC Bank on the day

immediately preceding the specified date shall be

deemed to be the shareholders of the Company as at

the specified date and the shares held by such

shareholders in the Company shall be identical in

number to that held by them in the DFCC Bank on

the day immediately preceding the specified date

and all share certificates issued by the DFCC Bank

shall be read and construed as if such share certificates

were share certificates issued by the Company;

(c) all securities of any kind issued by the DFCC Bank

and outstanding on the day immediately preceding

the specified date shall from the specified date be

deemed to be securities issued by the Company;

(d) the Chairman, directors, officers, employees and

servants of the DFCC Bank holding office on the

day immediately preceding the specified date shall

be deemed to be the Chairman, directors, officers,

employees and servants of the Company with effect

from the specified date and such Chairman,

directors, officers, employees and servants shall

continue to hold office in the Company on terms

and conditions enjoyed by them under the DFCC

Bank, immediately preceding the specified date;

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(e) all contracts, deeds, bonds, agreements, guarantees,

powers of attorney, grants of legal representation

and other instruments of whatever nature of the

DFCC Bank subsisting and having effect on the

day immediately preceding the specified date and

to which the DFCC Bank is a party or which are in

favour of the DFCC Bank shall be deemed with

effect from the specified date to be contracts, deeds,

bonds, agreements, guarantees, powers of attorney,

grants of legal representation and other instruments

entered into by or granted in favour of the

Company ;

(f) unless specifically revoked or substituted in the

manner provided for in any other law, all approvals

or licences granted to the DFCC Bank by the

Monetary Board, the Director of Bank Supervision,

Controller of Exchange, Securities and Exchange

Commission, Urban Development Authority, any

other regulatory body or authority, Provincial

Council, local authority subsisting or having effect

on the day immediately preceding the specified

date shall be deemed with effect from the specified

date to be approvals or licences granted to the

Company ;

(g) any account maintained between the DFCC Bank

and any other person in or outside Sri Lanka

including the Government of Sri Lanka, its

departments and statutory bodies on the day

immediately preceeding the specified date, whether

it be an asset or liability of such Bank shall be

deemed with effect from the specified date to be an

account between the Company and that other

person with the same rights and subject to the same

obligations and incidents (including rights of set

off) as would have been applicable thereto if the

account between the DFCC Bank and that other

person had continued and so that any instruction,

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order, direction, mandate or authority given by such

other person in relation to such account and

subsisting on the day immediately preceding the

specified date shall, unless and until revoked or

cancelled, apply to and have effect in relation to,

the account between the Company and that other

person ;

(h) any mortgage, security or indemnity held by the

DFCC Bank on the day immediately preceding the

specified date as security for the payment of debts

or liabilities (whether present or future actual or

contingent) of any person shall be deemed with

effect from the specified date to be a mortgage,

security or indemnity held by and be available to

the Company as security for the payment of such

debt and liabilities to the Company; and where the

moneys secured by such mortgage, security or

indemnity include future advances to or liabilities

of that person, the security for future advances to or

liabilities of that person to the Company shall be

deemed to the same extent to which future advances

by or liabilities to the DFCC Bank were secured

thereby immediately preceding the specified date;

(i) the custody of any document, goods or other

property held by the DFCC Bank on the day

immediately preceding the specified date as bailee

for any other person shall be deemed with effect

from the specified date to be a document, goods or

property in the custody of the Company as a bailee

for such other person and the rights and obligations

of the DFCC Bank under any contract of bailment

relating to such document, goods or property shall

be deemed to be the rights and obligations of the

Company;

(j) any listing of shares or securities of any kind

whatsoever issued by the DFCC Bank on a stock

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exchange or securities exchange whether in

Sri Lanka or elsewhere on the day immediately

preceding the specified date shall be deemed with

effect from the specified date to be listing of such

shares or securities of the Company ;

(k) all reserves maintained by the DFCC Bank for the

purpose of the provision of any law, regulatory

requirement or otherwise, on the day immediately

preceding the specified date shall be deemed with

effect from the specified date to be reserves of the

Company held for such purpose;

(l) (i) all property immovable and movable of the

DFCC Bank (including cash balances, reserve

funds, investments, trade marks, patents,

licences and deposits);

(ii) all liabilities, including deposits and

contingent liabilities, of the DFCC Bank;

(iii) all rights, powers, privileges, authorities,

obligations, duties and interest arising in or

out of the business, such property and such

liabilities including the licence issued to the

DFCC Bank by the Monetary Board under

subsection (3) of section 76A of the Banking

Act;

(iv) all books, accounts and documents relating

or appertaining to the DFCC Bank or to

any property of the Bank,

subsisting on the day immediately preceding

the specified date, shall be deemed as from the

specified date to be property, liabilities, rights,

powers, privileges, authorities, obligations, duties,

interest, books, accounts and documents of the

Company;

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(m) all applications, actions, proceedings or appeals of

whatever nature instituted under the provision of

any law by or against the DFCC Bank and pending

on the day immediately preceding the specified

date shall be deemed as from the specified date, to

be applications, actions, proceedings or appeals

instituted by or against the Company and may be

continued accordingly;

(n) any pension fund, gratuity fund or unfunded

liability in respect of a pension, gratuity or other

liability relating to post employment benefit to any

employee or former employee of the DFCC Bank

and existing on the day immediately preceding the

specified date shall be deemed as from the specified

date, to be a pension fund, gratuity fund or such

liability as the case may be, of the Company in

respect of such employee or former employee;

(o) where the DFCC Bank on the day immediately

preceding the specified date was a contributor to

any provident fund approved by the Commissioner

of Labour for the benefit of its employees, the

Company shall be deemed as from the specified

date, to be the contributor to such provident fund

in respect of such employees;

(p) all tax credits, refunds, losses, concessions, reliefs,

benefits and liabilities of the DFCC Bank subsisting

on the day immediately preceding the specified

date shall be deemed as from the specified date, to

be tax credits, refunds, losses, concessions, reliefs,

benefits and liabilities of the Company;

(q) all judgments, decrees or orders entered in favour

of, or against the DFCC Bank by any Court in

any action or proceeding shall be deemed with

effect from the specified date, to be judgments,

decrees or orders entered in favour of, or against the

Company;

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(r) all rights to intellectual property including

trademarks, patents, softwares subsisting in favour

of the DFCC Bank on the day immediately

preceding the specified date shall be deemed as

from the specified date, to be such rights in favour

of the Company.

6. Notwithstanding the repeal of the DFCC Bank Act Limited

(Chapter 165) by section 2 of this Act, the provisions of applicability of

section 10 and

subsection (2) of section 10 and section 14 of the aforesaid 14 of the DFCC

repealed Act shall from and after the specified date, continue Bank Act

to be operative and of full force and avail in law as if such (Chapter 165).

Act had never been repealed, until the loans so guaranteed

by the Government of Sri Lanka in terms of such sections

are repaid in full and no further. Every loan guaranteed as

aforesaid prior to the specified date and subsisting on the

day immediately preceding the specified date, shall as from

the specified date continue to subsist as if the loans so

guaranteed were loans raised by the Company.

7. (1) With effect from the specified date, every reference Consequential

to the DFCC Bank in any Act, regulation, notification, amendments to

written laws &c.

contract, instrument, record, share certificate, document,

deed, bond, agreement, guarantee, power of attorney, grant

of legal representation and other instruments of whatever

nature shall be deemed to be a reference to the Company to

give effect to the provisions of this Act.

(2) For the provisions of section 5 and subsection (1) to

take effect, it shall not be necessary to replace the name the

DFCC Bank with the name of the Company in any register

or record maintained by any department, court of law,

tribunal or agency of the government, provincial council or

local authority under any law or regulation provided

however that where the Company makes an application to

the person responsible for maintaining such register or record

with a copy of the certificate of incorporation certified as

true copy by a notary public, such person shall substitute

the name of the Company in such record or register.

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Regulations. 8. (1) The Minister may make regulations for the

purposes of facilitating the vesting of the business of the

DFCC Bank in the Company in pursuance of the provisions

of section 4.

(2) Every regulation made by the Minister under

subsection (1) shall be published in the Gazette and shall

come into operation on the date of such publication or on

such later date as may be specified in the regulation.

(3) Every regulation made under subsection (1) shall as

soon as convenient be placed before Parliament for approval.

Any regulation which is not so approved shall be deemed to

be rescinded as from the date of such disapproval, but without

prejudice to anything previously done thereunder.

(4) Notice of the date on which the regulation is

disapproved shall be published in the Gazette.

Merger and 9. In the event the Company formed under the provisions

amalgamation. of this Act merges or amalgamates with any other company

under the provisions of Part VIII of the Companies Act, No. 07

of 2007 to carry on business as a licensed commercial bank

under the licence issued by the Monetary Board, section 6 of

this Act shall mutatis mutandis continue to apply.

Sinhala text to 10. In the event of any inconsistency between the

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

of inconsistency.

prevail.

Interpretation. 11. For purposes of this Act, unless the context otherwise

requires—

“Banking Act” means the Banking Act, No. 30 of

1988 as amended from time to time;

“Business” includes the business carried on by the

DFCC Bank as a licensed specialized bank,

as at the specified date;

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“Company” means the company referred to in the

paragraph (b) of subsection (2) of section 3;

“Controller of Exchange” means the head of the

Department of Exchange Control of the

Central Bank, established by the Monetary

Board under the Exchange Control Act

(Chapter 423);

“DFCC Bank” means the DFCC Bank established

by the DFCC Bank Act as amended from time

to time (Chapter 165);

“Director of Bank Supervision” means the head of

the Department of the Bank Supervision of

the Central Bank of Sri Lanka established by

the Monetary Law Act (Chapter 422);

“Monetary Board” means the Monetary Board of

the Central Bank of Sri Lanka established

under the Monetary Law Act (Chapter 422);

“Provincial Council” means a Provincial Council

established by Chapter XVIIA of the

Constitution;

“Securities and Exchange Commission” means

the Securities and Exchange Commission

of Sri Lanka established by the Securities

and Exchange Commission of Sri Lanka

Act, No. 36 of 1987;

“Urban Development Authority” means the Urban

Development Authority established by the

Urban Development Authority Law, No. 41

of 1978.

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