



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

CREDIT INFORMATION BUREAU OF
SRI LANKA (AMENDMENT)
ACT, No. 8 OF 1995

[Certified on 27th April, 1995]

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L.D.—O. 78/92

**AN ACT TO AMEND THE CREDIT INFORMATION BUREAU OF
SRI LANKA ACT, No. 18 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 Credit Information Bureau of Sri Lanka (Amendment) Act, No. 8 of 1995. Short title.

2. The long title to the Credit Information Bureau of Sri Lanka Act, No. 18 of 1990 (hereinafter referred to as the "principal enactment") is hereby amended by the substitution for the words "FOR THE PROVISION OF SUCH INFORMATION TO THE SHAREHOLDERS OF THE BUREAU" of the words "FOR THE PROVISION OF SUCH INFORMATION ON REQUEST TO THE SHAREHOLDERS OF THE BUREAU AND SIMULTANEOUSLY TO ANY BORROWER OR PROSPECTIVE BORROWER TO WHOM SUCH INFORMATION RELATES". Amendment to the long title of Act No. 18 of 1990.

3. Section 6 of the principal enactment is hereby repealed, and the following section substituted therefor :— Replacement of section 6 of the Principal enactment.

Functions of the Bureau

6. The functions of the Bureau shall be—

(a) to collect and collate, trade, credit and financial information on borrowers and prospective borrowers of lending institutions ;

(b) to provide credit information, on request, to lending institutions who are shareholders of the Bureau and simultaneously to borrowers and prospective borrowers to whom such information relate ;

(c) to establish a credit rating system in Sri Lanka, to undertake credit rating and to sell such credit ratings to any foreign and local agencies, or to any person making a request for such ratings ; and

(d) to undertake research projects for lending institutions who are shareholders of the Bureau,

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with a view to facilitating the distribution of credit to all sectors of the economy and to the informal sector, in particular."

Amendment
of section
7 of the
Principal
enactment.

4. Section 7 of the principal enactment is hereby amended as follows:—

(1) by the repeal of paragraphs (a), (b), (c) and (d) of that section and the substitution therefor of the following paragraphs:—

"(a) to maintain a data bank on borrowers from lending institutions;

(b) to collect and collate trade, credit and financial information on borrowers or prospective borrowers of lending institutions;

(c) to store the information so collected;

(d) to furnish credit information on request—

(i) in confidence to shareholders of the Bureau;

(ii) by a shareholder of the Bureau, to a borrower or prospective borrower to whom such information relates, subject to such terms and conditions as may be determined by the Bureau,

and to prescribe the forms in which such information is to be furnished;"

(2) by the insertion immediately after paragraph (d) of that section of the following paragraph:—

"(dd) to sell credit ratings on request to foreign or local agencies or to any person;"

(3) by the insertion of the following new paragraph immediately after paragraph (n) of that section:—

"(o) to undertake research projects for lending institutions who are shareholders of the Bureau;" ; and

(4) by the renumbering of the paragraph (o) of that section as paragraph (p) thereof.

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5. Section 10 of the principal enactment is hereby amended by the repeal of subsection (4) of that section and the substitution of the following subsection therefor:—

Amendment
of section
10 of the
Principal
enactment.

“ (4) In granting approval for an allotment or transfer of shares under subsection (3), the Monetary Board shall endeavour to ensure that it retains at least thirty-one per cent of the issued share capital of the Bureau.”

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6. Section 12 of the principal enactment is hereby amended by the repeal of subsection (1) of that section and the substitution of the following subsection therefor:—

Amendment
of section
12 of the
principal
enactment.

“ (1) The Bureau may, from time to time, borrow sums of money from the Central Bank or lending institutions for periods not exceeding six months.”

7. The following new section is hereby inserted immediately after section 16 and shall have effect as section 16A of the principal enactment:—

Insertion of
new section
16A in the
principal
enactment.

“ Board to
declare
dividends.

16A. The Board may declare, from the net profits of the Bureau for any year, dividends of such amount as may be determined by the Board.”

8. Section 18 of the principal enactment is hereby repealed and the following section substituted therefor:—

Replacement
of section
18 of the
principal
enactment.

Audit.

18. (1) The Board shall appoint annually, a qualified auditor to audit the accounts of the Bureau.

(2) The Board shall cause the accounts of the Bureau for each year to be audited by the auditor appointed under subsection (1) before the thirtieth day of June of the succeeding year.

(3) The auditor appointed under subsection (1) shall examine the accounts of the Bureau and ascertain the correctness of the balance sheet and furnish a report stating—

(a) whether he has or has not obtained all the information and explanations required by him, and

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(b) whether the balance sheet and accounts referred to in the report are properly drawn up so as to exhibit a true and fair view of the Bureau's affairs.

(4) The report of the auditor shall be transmitted to the Board.

(5) In this section "qualified auditor" means—

(a) an individual who being a member of the Institute of Chartered Accountants of Sri Lanka or any other institute established by law, possesses a certificate to practise as an accountant issued by the Council of such Institute; or

(b) a firm of accountants each of the resident partners of which, is a member of the Institute of Chartered Accountants of Sri Lanka or any other institute established by law, possesses a certificate to practise as an accountant issued by the Council of each Institute.

Replacement
of section 19
of the
principal
enactment.

9. Section 19 of the principal enactment is hereby repealed and the following section substituted therefor:—

"Documents
to be
transmitted
to the
Minister.

19. The Board shall on receipt of the Auditor's report, under section 18, in respect of any year cause a copy of each of the following documents relating to that year to be transmitted to the Minister and to all the share holders:—

(a) the Auditor's report;

(b) the balance sheet;

(c) the profit and loss account; and

(d) the report of the Chairman of such Board giving an account of the work of the Bureau for that year."

Amendment
of
section 21
of the
principal
enactment.

10. Section 21 of the principal enactment is hereby amended in subsection (3) of that section by the substitution for the words "to a lending institution which is a share holder of the Bureau at the report of such shareholder or", of the words "to a lending institution which is a share-

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holder of the Bureau at the request of such shareholder and simultaneously to any borrower or prospective borrower to whom such information relates or”.

11. The following section is hereby inserted immediately after section 25 and shall have effect as section 25A of the principal enactment:—

“Protection for action taken under this Act by any lending institution.

“25A. Notwithstanding anything in any other law, no lending institution shall be liable or subject to any action or proceeding in any court, in respect of any loss or damage suffered or incurred, or alleged to have been suffered or incurred, by any person, by reason or any act or thing done, or omitted to be done, bona fide, by such lending institution, for the purposes of performing or discharging any duty or function imposed on, or assigned to, such lending institution by this Act or on the faith of any information furnished to such lending institution by the Bureau.”.

Insertion of new section 25A in the principal enactment.

12. Section 27 of the principal enactment is hereby amended in subsection (4) of that section by the substitution, for the words and figures “an offence under section 28(1) (a) or (b) was committed”, of the words and figures “an offence under subsection (1) (a) or (b) was committed”.

Amendment of section 27 of the principal enactment.

13. Section 29 of the principal enactment is hereby amended in the definition of “lending institution”, by the insertion of the following new paragraph at the end of that definition:—

Amendment of section 29 of the principal enactment.

“(g) Any other institution, engaged in providing credit, declared by the Minister in charge of the subject of Finance, having regard to the financial stability of that institution, by Order published in the Gazette, to be a lending institution for the purposes of this Act.”.

14. 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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