



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

**BANK OF CEYLON (AMENDMENT)
ACT, No. 54 OF 2000**

[Certified on 18th August, 2000]

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Bank of Ceylon (Amendment)
Act, No. 54 of 2000

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L.D.—O. 9/99.

AN ACT TO AMEND THE BANK OF CEYLON ORDINANCE

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

1. This Act may be cited as the Bank of Ceylon (Amendment) Act, No. 54 of 2000. Short title.

2. Section 7 of the Bank of Ceylon Ordinance (Chapter 397) (hereinafter referred to as “the principal enactment”) is hereby amended by the repeal of subsection (1) of that section, and the substitution, of the following subsection therefor :—
“(1) The authorized capital of the bank shall be fifty billion rupees divided into fifty million shares of one thousand rupees each.” Amendment of section 7 of Chapter 397.

3. Section 16 of the principal enactment is hereby amended as follows :—
(1) by the substitution, for the words “specified either in section 17 or in section 19”, of the words “specified in section 17 or in section 17A or in section 19” ; and
(2) by the substitution, for the words “in accordance with section 17”, of the words “in accordance with section 17 or section 17A”. Amendment of section 16 of the principal enactment.

4. Section 17 of the principal enactment is hereby repealed and the following section substituted therefor :—
“Authoriza-
tion of
manager to
take
possession of
immovable
property.
17. Subject to the provisions of section 20,
the Board may by resolution to be recorded in
writing authorize any person specified in the
resolution to enter upon and take possession of
any immovable property mortgaged to the bank” Replacement of section 17 of the principal enactment.

as security for any loan, overdraft, advance or other accommodation in respect of which default has been made and to manage and maintain such property and to exercise the same powers in the control and management of such property as might have been exercised by the mortgagor, if he had not made default.”.

Insertion of section 17A in the principal enactment.

5. The following section is hereby inserted immediately after section 17 and shall have effect as section 17A of the principal enactment :—

“Authorization of person to seize movable property.

17A. Subject to the provisions of section 20, the Board may by resolution to be recorded in writing authorize any person specified in the resolution to seize any movable property mortgaged to the bank as security for any loan, overdraft, advance or other accommodation in respect of which default has been made.”.

Amendment of section 19 of the principal enactment.

6. Section 19 of the principal enactment is hereby amended by the substitution for the words “section 26”, of the words “section 26, and thereafter it shall not be competent for the borrower or any person claiming through or under any disposition whatsoever of the right, title or interest of the borrower to and in the property made or registered subsequent to the date of the mortgage to the bank, in any court to move to invalidate the said resolution or the subsequent sale for any cause whatsoever, and no court shall entertain any such application ”.

Amendment of section 20 of the principal enactment.

7. Section 20 of the principal enactment is hereby amended as follows :—

- (1) by the substitution in subsection (1) of that section for the words and figures “the provisions of sections 17 and 19 shall apply”, of the words and figures “the provisions of sections 17, 17A and 19 shall apply” ;

- (2) by the repeal of subsection (2) of that section and the substitution of the following subsection therefor :—

“(2) (a) Where—

- (i) the borrower is dead ;
- (ii) bank has been notified, in writing of his death within a period of three months of his death ; and
- (iii) probate of his will or letters of administration to his estate have not been issued,

the District Court of Colombo or the District Court of the district in which that property is situate or kept may, upon application made in that behalf by the bank and after service of notice of the application on such persons, if any, as the court may order, and if satisfied that the grant of probate or the issue of the letters of administration is likely to be unduly delayed, appoint a person to represent the estate of the borrower for the purposes of this section.

- (b) Where the borrower is dead and the bank has been notified in writing of his death within a period of three months of his death, the board shall not take action as specified in section 17 or section 17A or section 19 unless and until a representative of his estate has been appointed under this section.”.

Replacement of section 21 of the principal enactment.

8. Section 21 of the principal enactment is hereby repealed and the following section substituted therefor :—

“Notice of resolution of Board to sell mortgaged property.

21. Notice of every resolution under section 19 authorizing the sale of any property shall be published, in addition to the Gazette, in three daily newspapers in Sinhala, Tamil and English respectively and copies of such notice shall be sent to the borrower by registered post to the address furnished by him to the bank.”.

Amendment of section 22 of the principal enactment.

9. Section 22 of the principal enactment is hereby amended by the repeal of paragraph (a) of that section and the substitution of the following paragraph therefor :—

“(a) be sent to the borrower by registered post to the address furnished by him to the bank ;”.

Amendment of section 27 of the principal enactment.

10. Section 27 of the principal enactment is hereby amended by the substitution for the words “property is situate or kept”, of the following :—

“property is situate or kept :

Provided however that where the borrower has made default in respect of any other loan, overdraft, advance or accommodation granted to him by the bank, the board shall, in lieu of paying of such balance to the borrower or any person legally entitled to accept the payments due to the borrower or depositing in court, as aforesaid, deposit such balance in the District Court of the district in which the property mortgaged as security for such other loan, overdraft, advance or accommodation is kept or situate.”.

Sinhala text to prevail in case of inconsistency.

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

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