Credit Information Bureau of Sri Lanka Act No: 18 of 1990  
(Certified on 18 May 1990)  
as amended by Credit Information Bureau of Sri Lanka (Amendment)  
Acts No: 8 of 1995 (certified on 27 April 1995) and  
Act No: 42 of 2008 (certified on 3rd December 2008)

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE CREDIT INFORMATION BUREAU OF SRI LANKA FOR THE COLLECTION OF CREDIT INFORMATION RELATING TO BORROWERS FROM LENDING INSTITUTIONS CONSUMERS OF CREDIT GRANTING INSTITUTIONS AND FOR THE PROVISION OF THAT INFORMATION ON REQUEST TO THE SHAREHOLDERS OF THE BUREAU AND AUTHORITIES AND INSTITUTIONS ENTITLED TO RECEIVE INFORMATION WITH A VIEW TO FACILITATING THE DISTRIBUTION OF CREDIT TO ALL SECTORS OF THE ECONOMY AND TO THE INFORMAL SECTOR, IN PARTICULAR; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO

1 This Act may be cited as the Credit Information Bureau of Sri Lanka Act No: 18 of 1990, and shall come into operation on such date as the Minister may appoint by Order published in the Gazette

PART 1

ESTABLISHMENT OF THE CREDIT INFORMATION BUREAU OF SRI LANKA

2 There shall be established a Bureau which shall be called the “Credit Information Bureau of Sri Lanka” (hereinafter referred to as the “Bureau”) consisting of the persons who are shareholders thereof.

3 The Bureau shall, by the name assigned to it by Section 2, be a body corporate and shall have perpetual succession, and a common seal and may sue and be sued in such name.

4 The Head Office of the Bureau shall be located in Western Province. Such branch offices and agents of the Bureau as the Board of Directors may consider necessary may be established in places in Sri Lanka, other than Colombo.

5 (1) The administration and management of the affairs of the Bureau shall be vested in the Board of Directors (hereinafter referred to as the “Board”) consisting of –

(i) a Deputy Governor of the Central Bank nominated by the Monetary Board who shall be the Chairman of the Board;

(ii) a Senior Officer of the Central Bank nominated by the Monetary Board;

(iii) a Senior Officer of the Bank of Ceylon nominated by the Board of Directors of the Bank of Ceylon;
(iv) a Senior Officer of the People’s Bank nominated by the Board of Directors of the People’s Bank;

(v) two persons elected by the shareholding licensed commercial banks, other than the Bank of Ceylon and People’s Bank;

(vi) a person elected by the shareholding finance companies;

(vii) a person nominated by the Monetary Board from amongst the Board of Directors of Licensed Specialized Banks.

(viii) a person elected by the shareholding leasing establishments and,

(ix) the person holding the office of the General Manager of the Bureau.

(2) The provisions of the Schedule to this Act shall have effect in relation to the term of office of the Directors of the Bureau, and the remuneration payable to such Directors, meetings and the seal of the Bureau.

(3) The Board shall exercise, perform and discharge all powers, duties and functions conferred or imposed on, or assigned to, the Bureau by this Act.

6 The functions of the Bureau shall be –

(a) to collect, collate and synthesize trade, credit and financial information from the categories of persons or bodies of persons specified in section 7A;

(b) to provide credit and financial information, on request to the persons or bodies of persons specified in section 7B

(c) to undertake the function of credit rating and to sell such credit ratings to any foreign and local agencies, or to any person making a request for such ratings;

(d) to provide credit scoring of persons on request of lending institutions and credit granting institutions of the Bureau and other value added services in Sri Lanka;

(e) to undertake research and training projects for lending institutions who are shareholders of the Bureau, and participating credit granting institutions; and

(f) to operate a filing office of secured transactions to register the security interest of movables, if so directed by the government,

with a view to facilitating the distribution of credit to all sectors of the economy and to the informal sector, in particular.
In discharging its functions, the Bureau may exercise and perform all or any of the following powers and duties:

(a) to maintain a data bank of the institutions specified in section 7A.

(b) to collect, collate and synthesize, credit and financial information from any of the person referred to in section 7A.

(c) to store the information so collected;

(d) to furnish credit and financial information or any category of such information or to provide credit scoring or other value added services on request and in confidence, to the persons or body of persons specified in section 7B subject to such terms and conditions as may be determined by the Bureau;

(dd) to undertake to collect information relating to cheque returns from commercial banks, for the purpose of providing additional services such as decision supporting systems to lending institutions and participating credit granting institutions of the Bureau.

(e) to levy such fees or other charges or require the payment of an identified subscription, for the credit and financial information being furnished or the services being provided;

(f) to acquire and to hold, any movable or immovable property, and to lease, mortgage, sell or otherwise dispose of, such property;

(g) to open and close current and deposit accounts in any commercial bank;

(h) to appoint a General Manager who shall be the Chief Executive Officer of the Bureau;

(i) to appoint such other officers and servants as may be necessary for carrying out the work of the Bureau.

(j) to establish pension and provident fund and provide welfare and recreational facilities, houses, hostels and other like accommodation to persons employed by the Bureau;

(k) to determine the remuneration payable to the officers and servants so appointed;

(l) to pay such remuneration out of the Fund of the Bureau.

(m) to enter into and perform, all such contracts, whether in or outside Sri Lanka, as may be necessary for the exercise of the powers and the performance of the duties of the Bureau.

(mm) to enter into agreements for joint ventures or any alliance with any person or company for the effective discharge of the functions set out in Section 6 and for carrying on any enterprise providing supporting services for the conduct of its business;

(mmm) to operate a filing office of secured transactions to register the security interest of movables if so directed by the Government.

(n) to make rules in respect of the administration of the affairs of the Bureau;

(o) to undertake research projects for lending institutions who are shareholders of the Bureau; and
generally to do all such other things as are necessary to facilitate the proper carrying on of the affairs of the Bureau;

7A. The Bureau may, in the discharge of its functions under this Act, collect information in respect of:

(a) borrowers and prospective borrowers of lending institutions from such institutions;

(b) consumers and prospective consumers of credit granting institutions, from such institutions;

(c) holders and prospective holders of insurance policies from Insurance Companies and also information in respect of credit granted on the surrender value of such policies;

(d) persons from the Commissioner of Registration of Persons falling within the provisions of the Registration of Persons Act No: 32 of 1968;

(e) firms and partnerships from the Registrars of Business Registration; and

(f) companies from the Registrar of Companies, established under the Companies Act, No. 7 of 2007.

7B. (1) The Bureau may, in cases where a request is made to it, in the exercise of its powers, furnish credit and financial information available with it, to the following persons or body of persons:

(a) lending institutions who are shareholders of the Bureau for the purposes of evaluating or ascertaining of creditworthiness or credit standing of any person and reviewing and monitoring of existing borrowers and collection of outstanding credit of existing borrowers and opening and maintenance of current accounts by licensed commercial banks,

(b) the Central Bank for the purposes of ascertaining the suitability of any person to be appointed or elected or nominated to be a Director or a Chief Executive Officer of a lending institution and for purposes of regulation and supervision of lending institutions and to improve the quality of credit analysis of such institutions;

(c) any governmental agency or institution declared by the Minister in-charge of the subject of Finance to be entitled to receive such information to evaluate the creditworthiness of an applicant to be issued a license or provided with a concession in terms of the applicable law to issue a license or to grant such concessions;

(d) participating credit granting institutions for the purposes of evaluating and ascertaining of creditworthiness and credit standing of any person and reviewing and monitoring of existing consumers and collection of outstanding credit of existing consumers;
(e) borrowers and prospective borrowers of lending institutions or consumers and prospective consumers of credit granting institutions and to any other person to whom such information relates;

(f) international credit bureaus subject to the consent of the person to whom such information relates;

(g) to any insurance company, with the consent of the person to whom the information relates, for the purpose of underwriting or ascertaining the creditworthiness and insurability of such person; and

(h) such other persons or bodies of persons whom the Minister may, on the recommendation of the Monetary Board, from time to time identify for the purposes of this section by order published in the Gazette.

(2) the Bureau may in furnishing such information, impose such terms and conditions as may from time to time be determined by the Board including the identification of the purposes for where such information may be used.”.

8 The Board of Directors may appoint agents of the Bureau in any place in Sri Lanka.

PART II

FINANCE

9 (1) The authorized capital of the Bureau shall be hundred million rupees divided into one million shares of one hundred rupees each.

(2) The issued capital of the Bureau shall be such amount as may be determined, from time to time, by the Board.

10 (1) No person other than the Monetary Board or a lending institution shall be entitled to purchase shares in the Bureau.

(2) The Monetary Board shall invite and receive applications for the initial issue of shares to the Bureau and shall on receipt of such applications, allot shares to the Monetary Board and lending institutions in the following proportions:-

<table>
<thead>
<tr>
<th>Share Capital</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary Board</td>
<td>- Fifty one per centum of such issued share capital;</td>
</tr>
<tr>
<td>Licensed Commercial Banks</td>
<td>- Thirty per centum of such issued capital; and</td>
</tr>
<tr>
<td>Other lending Institution</td>
<td>- Nineteen per centum of such issued share capital</td>
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(3) Notwithstanding the provisions of subsection (1) of this section.

The Board may –

(a) allocate or transfer shares of the Bureau to lending institutions according to proportion of such issued share capital as may be determined by the Board with the written approval of the Monetary Board;

(b) allocate shares to any person engaged in the advancement of technology relating to the activities referred to in paragraphs (a), (b), (c) and (d) of Section 6.

(4) The allocation or transfer of shares of the Bureau, after the initial issue of shares shall be determined by the Bureau and made with the written approval of the Monetary Board.

(5) The Monetary Board shall in granting approval for the allotment or transfer of shares of the Bureau under subsection 3 and 4, ensure that at all times –

(a) The Monetary Board shall retain not less than fifteen per centum of the issued share capital of the Bureau;

(b) The aggregate shareholding held by the Monetary Board and any other lending institution which is a public corporation shall not be less than fifty one per centum of the issued capital of the Bureau; and

(c) any lending institution which is not a public corporation or any other person referred to in paragraph (b) of subsection 3 shall not hold more than ten per centum of the issued share capital of the Bureau.

11 The liability of any shareholder shall be limited to the amount, if any unpaid on his shares.

12 (1) The Bureau may from time to time borrow sums of money from any lending institution or from any other local or foreign institution on such terms and conditions as may be determined by the Board.

(2) The Bureau may issue debentures or other securities for the purpose of carrying out the functions of the Bureau, in accordance with such terms as may be determined by the Board.

(3) No borrowings by the Bureau under subsection (1) where the aggregate borrowings of the Bureau were at any time to exceed a sum equivalent to twice the paid up capital of the Bureau, shall be made without the concurrence of the majority of shareholders.

13 The Board may establish such departments as may be necessary for the efficient discharge of the functions of the Bureau, including a department to deal with matters connected with informal sector of the economy.

14 (1) The Bureau shall have its own fund (hereinafter referred to “the Fund”)
(2) There shall be paid into the Fund-

(a) all sums received by the Bureau as subscription to its capital;

(b) all sums received by the Bureau as profits on investments made by it;

(c) all sums received by the Bureau for services provided by it; and

(d) all sums received by the Bureau in the exercise performance and discharge of its powers, duties and functions.

certificate to practice as an accountant issued by the Council of each institute.

Investment of moneys of the Bureau 15 Any moneys belonging to the Bureau may be invested by the Board in such manner, as the Board may determine.

Reserves 16 (1) The Board shall establish a general reserve fund for staff welfare to which shall be transferred such sums, from the net profits of the Bureau, as may be determined by the Board.

(2) The reserve fund for staff welfare shall be applied in such manner as the Board may determine for the provision of training, housing and welfare facilities to officers and servants of the Bureau.

(3) The Board shall establish reserve funds for such other purposes as may be determined by the Board.

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

Financial year of the Bureau 17 The financial year of the Bureau, shall be the calendar year

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

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

(3) The auditor appointed under sub section (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 explanation required by him, and

(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 practice 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 established by law, possesses a certificate to practice as an accountant issued by the Council of each institute.

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 shareholders :-

(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

19A. (1) The Board shall hold an Annual General Meeting of the shareholders of the Bureau within nine months after the closure of each financial year of the Bureau.

(2) The annual report and accounts presented by the Bureau shall be considered at that meeting.

(3) The manner of summoning of the Annual General Meeting and the procedure to be followed in the transaction of business at that meeting shall be determined by the Board and published as it may consider appropriate

PART III

GENERAL

20. (1) The Board may delegate any of its powers, duties and functions Under this Act to any officer of the Bureau.

(2) Any officer to whom any power duty or function is delegated under sub section (1) shall exercise, perform and discharge, such power duty or function, subject to such directions as may be given to him by the Board.

(3) The Board shall notwithstanding any delegation made under sub section (1) have the power to exercise, perform and discharge the powers, duties and functions so delegated.
21. (1) The Bureau or any other person authorized by the Bureau in that behalf may, by notice in writing require any institution specified in section 7A to furnish information under this Act either to the Bureau or any other person authorized, within such period as shall be specified in the notice, all such information required by that notice.

(2) Notwithstanding anything to the contrary in the respective laws establishing any institution specified in section 7A or any other law or in any agreement entered into between the consumers or borrowers and such institution, it shall be the duty of any such institution to furnish information under this Act, or required to furnish in response to a notice under subsection (1) any return or information, to comply with the requirements of such notice within such time as is specified therein.

(3) The Bureau shall not publish or communicate to any person, otherwise than to the extent required for the discharge of its functions under the Act, any information contained in any return furnished in compliance with the requirements of a notice issued under subsection (1).

22. (1) No Director, officer or servant of the Bureau, shall except for the purposes of this Act or when required to do so by any other written law, disclose any information furnished to the Bureau under this Act or produce before any Court or other institution, any return or other information furnished to the Bureau under this Act.

(2) No director, officer or servant employed in any institution authorized to receive credit information shall except for the purpose of this Act or when required to do so by any other written law, disclose any information furnished by the Bureau under this Act or produce before any Court or other Institution, any return or other information furnished by the Bureau under this Act.

23. (1) Every Director of the Bureau and all officers and servants of the Bureau, shall before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all matter connected with the affairs of the Bureau, and shall by such declaration pledge himself not to reveal any matters which may come to his knowledge in the performance or discharge of his duties and functions except -

(a) when required to do so by a Court of Law or by any person or body of person to whom such matters relate; and

(b) in order to comply with any of the provisions of this Act.

(2) Every Director, officer or servant employed in the business of institution authorized to receive credit information which is a shareholder of the Bureau shall sign a declaration pledging himself to observe strict secrecy in respect of credit or financial information obtained by such institution authorized to receive credit information from the Bureau and all matters relating thereto, and shall by such declaration pledge himself not to reveal any such information or matter except -
Protection for action taken under this Act or on the direction of the Board

24 Protection for action taken under this Act or on the direction of the Board

(1) No suit or prosecution shall lie-

(a) against the Bureau, for any act which in good faith is done or is done or purported to be done by the Board under this Act; or

(b) against any Director, officer, servant or agent of the Bureau for any act which in good faith is done or purported to be done by him under this Act, or on the direction of the Board.

(2) Any expenses incurred by the Bureau in any suit or prosecution brought by or against the Bureau before any court shall be paid out of the Fund and any costs paid to, or recovered by the Bureau in any such suit or prosecution shall be credited to the Fund.

(3) Any expenses incurred by any such person as is referred to in paragraph (b) of subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done or is purported to be done by him under this Act or on the direction of the Board shall, if the court holds that such act was done in good faith, be paid out of the Fund, to such person, unless such expense is recovered by him in such suit or prosecution.

Protection for action taken under this Act or on the direction of the Board

25 Protection for action taken under this Act or on the direction of the Board

No writ against person or property shall be issued against any Director of the Board in any action brought against the Bureau.

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

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 damages suffered or incurred, or alleged to have been suffered or incurred, by any person, by reason of 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.

Protection for action taken under this Act by any lending institution

26 Protection for action taken under this Act by any lending institution

(1) The Board may make rules which are no inconsistent with the provisions of this Act, in respect of all or any other matters in respect of which rules are authorized or required by this Act to be made.

(2) No rule made by the Board under sub section (1) shall have effect until it has been approved by the Minister, and notification of such approval is published in the Gazette.
26A (1) The Bureau may, if it is satisfied that there is adequate proof that a person being a director, officer or servant of any institution specified in section 7B entitled to receive credit or financial information or other value added services from the Bureau, has committed an offence under paragraphs (a), (b), (c) and (e) of subsection (1) of section 27, make an order to suspend the furnishing of any such information or the provision of any other services, to such institution.

(2) The Bureau shall before making an order under subsection (1), give any institution, mentioned in subsection (1), an opportunity of being heard.

(3) Where the Bureau has decided to withhold the release of credit & financial information or the provision of such other services under the provisions of paragraph (1) above the Bureau shall require such shareholder lending institution if it holds shares in the Bureau, to forthwith transfer the shares held by such institution in the share capital of the Bureau, if any, to the Monetary Board at a consideration determined by the Board.

26B. The Financial Ombudsman shall have the sole and exclusive jurisdiction in the first instance to hear and determine any complaint relating to a dispute between the Bureau and any institution referred to in section 7A and 7B and any person to whom such information relates, in respect of information contained in any credit and financial report issued by the Bureau.

26C (1) The Minister may make regulations in respect of all matters required by this Act to be prescribed or in respect of which regulations are authorized by this Act to be made.

(2) without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations respect of all or any of the following:-

(a) specifying the Code of Conduct, to be observed by the institutions specified in section 7B ;

(b) setting out the procedure to enable any person to whom the credit and financial information to be released relates to dispute the error records relating to data included in the credit and financial information report and to get those reports corrected if proved to be inaccurate:

(c) specifying the relevant particulars to be included in different types of reports to be issued by the Bureau relating to credit and financial information to be released, as the Board may consider necessary and such rules and regulations shall not be inconsistent with the provisions of this Act;

(d) specifying the forms and formats to be used by institutions and persons in furnishing information and returns to the Bureau in terms of this Act.
27. (1) Every person who –

(a) knowingly makes any false or incorrect statement in any return or information furnished by him in compliance with the requirements of a notice sent to him under section 21;

(b) fails or refuses without reasonable cause to comply with the requirement of any notice sent to him under section 21;

(c) contravenes the provisions of this Act or any rule or regulation made thereunder;

(d) being a Director, officer or servant of the Bureau, or any Joint Venture or alliance disclose any information obtained by him in or in connection with the exercise of his powers or the performance of his duties under this Act, to any person for any purpose other than a purpose for which he is authorized to disclose such information by this Act;

(e) being a director, officer or servant of any institution specified in section 7B entitled to receive information from the Bureau discloses any credit or financial information obtained by such lending institution from the Bureau to any person for any purpose other than a purpose for which he is authorized to disclose such information by this Act.

Shall be guilty of an offence under this Act.

(2) Every person who commits an offence under this Act shall on conviction after trial before a Magistrate, be liable to a fine not exceeding one million rupees or to imprisonment for a period not exceeding five years or to both such fine and imprisonment.

(3) Where an offence under this Act is committed by a body of persons, then -

(a) if that body of persons is a body corporate, every director or officer of that body corporate;

(b) if that body of persons is a firm, every partner of that firm;

Shall be deemed to be guilty of that offence.

Provided however, that a Director or an officer of such body corporate or partner of such firm shall not be deemed to be guilty of such offence, if he proves that such offence was committed without his knowledge or that he used all such diligence to prevent the commission of such offence.

(4) The Board may, having regard to the circumstances in which an offence under section 27 (1) was committed compound such offence for a sum not exceeding one million (1000,000) All sums received by the Board in composition for an offence under subsection (1) was committed, compound that offence for a sum not exceeding one million rupees.
In the event any inconsistency between the Sinhala and Tamil texts of this act, the Sinhala text shall prevail.

In this Act, unless the context otherwise requires –

“associate member” means any institution specified in Section 7B of this Act which has entered into subscription agreement with the Bureau on terms and conditions relating to payments of fees and other terms regarding the authority by the Bureau to release credit and financial information and the provision of other services;

“borrower” means any person to whom any credit limit has been granted by any lending institution, either availed of or not, and includes:

(a) In the case of a company or corporation, its subsidiaries and its Associate Companies;

(b) In the case of a firm, owner or any partner thereof or any person who was a partner during the preceding two years and

(c) In the case of an individual, any firm in which such individual is a partner, proprietor or was a partner during the preceding two years.

Central Bank” means the Central Bank of Sri Lanka established by the Monetary Law Act (Chapter 422);

“Bank of Ceylon” means the Bank of Ceylon established by the Bank of Ceylon Ordinance (Chapter 397);

“Credit Information” means any information relating to -

(i) details of credit facilities granted by a Lending Institution to any borrower or class of borrowers;

(ii) the nature of security taken by a lending institution from any borrower or class of borrowers as the case may be for credit facilities granted to any borrower or class of borrowers;

(iii) the guarantee or any other fund based facility furnished by a Lending Institution for any of its constituent or any class of its constituents;

(iv) any guarantees furnished by the borrowers and consumers on behalf of himself or any other person to a lending institution or a credit granting institution;

(v) details of credit facilities granted by a credit granting institution to a consumer;

(vi) the means, antecedents, history of credit transactions and the creditworthiness of any borrower or class of borrowers or consumers;

(vii) history of any credit facility for a limited or unlimited period depending on the nature of such credit facility or class of credit facilities as determined by the Board of Directors from time to time.
the particulars relating to cheque returns of any constituent of a commercial bank for a period of two years from the date of return of such cheque:

(ix) any other information which the Bureau may consider to be relevant for the more orderly regulation of credit policy;

(x) details of concessions granted to any person by a government agency during a period of two years;

(xi) details of insurance policies payable in installments provided by insurance companies.

(xii) details of requests made by any institution entitled to receive credit and financial information or the person to whom such information relates

(xiii) A credit score, and includes persons name, date of birth/registration, identity number, past and current addresses, contact details, marital status, name of spouse, past and current employment/business, details and other related information relevant to persons’ identity.

“credit granting institution” means any institution providing goods and services or utility services on credit and declared by the Minister in charge of the subject of Finance on the recommendation of the Board having regard to the impact on

“finance company” means a company registered under the Finance Companies Act No.78 of 1988 to carry on finance business;

“finance leasing establishment” means a Finance Leasing Establishment within the meaning of Finance Leasing Act No: 56 of 2000;

“Financial Information” means data extracted from the balance sheet, the profit and loss account statement of income and other accounts maintained by a company or other Business Registration Ordinance (Chapter 149), which have been audited by a qualified auditor registered with the Institute of Chartered Accountants of Sri Lanka.

lending institution means

(a) a licensed commercial bank;

(b) a licensed specialized bank

(c) a finance company;

(d) a finance leasing establishment;

(e) a Special Purpose Vehicle in which any institution referred to in (a), (b), (c) or (d) above, owns ninety per centum (90%) of the share capital;
(f) any other institution, engaged in providing credit, declared by the Minister in charge of the subject of Finance, on the recommendation of the Board 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;

“Financial Ombudsman” means the person holding office under the corporate body by the name Financial Ombudsman of Sri Lanka (Guarantee) Ltd. incorporated under the Companies Act, No. 7 of 2007;

“In Insurance Company” means a company registered under the Regulation of Insurance Industry Act, No. 43 of 2000;

“lending institution” means:

(a) a licensed commercial bank;

(b) a licensed specialized bank

(c) a finance company;

(d) a finance leasing establishment;

(e) a Special Purpose Vehicle in which any institution referred to in (a), (b), (c) or (d) above, owns ninety per centum (90%) of the share capital;

(f) any other institution, engaged in providing credit, declared by the Minister in charge of the subject of Finance, on the recommendation of the Board 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;

“People’s Bank” means established by the People’s Bank Act No. 29 of 1961;

“Special Purpose Vehicle” means a body corporate or unincorporated, including a trust, established solely for the purpose of securitization and activities connected therewith or incidental thereto;

“State Mortgage & Investment Bank” means the State Mortgage & Investment Bank established by the State Mortgage & Investment Bank Act No. 13 of 1975.

“participating credit granting institution” means a credit granting institution which has entered into an agreement with the Bureau to be Associate Member of the Bureau;

“value added services” means the provision of additional information or statistics by using information collected from Institutions referred to in Section 7A of this Act or in terms of any other written law with a view to facilitating the use of credit and financial information for permissible purposes by the Institutions eligible to receive such information or minimizing the possible frauds and defaults of credit and the provision of statistical or market trend analysis reports.
SCHEDULE

Provisions Relating to the Board of Directors

1. Every Director except the Chairman the Director referred to in Section 5 (1)(viii) shall, unless he vacates office earlier by death, resignation or removal hold office for a term of three years and shall be eligible for re-nomination or re-election, as the case may be;

Provided that a Director nominated or elected in place of a Director who had vacated office by death, resignation or removal, shall hold office for the unexpired term of office of the Director whom he succeeds.

2. If any Director is temporarily unable to perform his duties of his office during any period due to ill-health, or absence from Sri Lanka or for any other cause, another person may be nominated or elected to act in his place.

3. A Director may be removed from office by the person or persons nominating or electing him, without assigning any reason therefore.

4. A Director (other than the Chairman and the Director referred to in Section 5(1)(viii) may resign his office by letter addressed to the Chairman and such resignation shall take effect upon it being accepted by the Chairman.

5. The Director may be paid such remuneration and other payments out of the Fund as may be determined by the Board.

6. (1) The Chairman of the Board shall if present preside at every meeting of the Board. In the absence of the Chairman from any such meeting, the Directors present shall elect a Chairman from amongst themselves.

   (2) The Board shall meet at least once a month and also as frequently as is necessary for purpose of discharging its functions under the Act.

   (3) The quorum for any meeting shall be four Directors and the Board may subject to the requirement as to quorum and the provisions of this Schedule, regulate by rule, the procedure in regard to the meetings of the Board and the transaction of business at such meeting.

   (4) All questions for decisions at any meeting of the Board shall be decided by the vote of the majority of the Directors present. In the case of an equality of votes the Director presiding shall have a casting vote.
7. No act or decision or proceeding of the Board shall be invalidated by reason only of the existence of a vacancy among the Directors or of any defect in the appointment of any such Director.

8. (1) The seal of the Bureau shall be determined and devised by the Board, any may be altered in such manner as may be determined by the Board.

(2) The seal of the Bureau shall be in the custody of the Chairman.

(3) The seal of the Bureau shall not be affixed to any instrument or document except with the sanction of the Board and, in the presence of the Chairman and two Directors who shall sign the instrument or document in token of their presence.

(4) The Bureau shall maintain a register of the instruments and documents to which the seal of the Bureau has been affixed.

9. (a) The Chairman may resign his office by a letter addressed to the Monetary Board and such resignation shall take effect on it being accepted by the Monetary Board.

(b) The Monetary Board may at any time remove the Chairman from office.

10. A Director who is directly or indirectly interested in any contract proposed to be made by the Bureau shall disclose the nature of such interest at a meeting of the Board and such Director shall not take part in any deliberation or decision on such contract, and shall withdraw from such meeting while such deliberation is in progress or such contract is being made.