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**PART I : SECTION (I) — GENERAL**

**Central Bank of Sri Lanka Notices**

**MONETARY BOARD  
CENTRAL BANK OF SRI LANKA**

**27 October, 2016**

**MICROFINANCE ACT RULES**

**No. 01 OF 2016**

**LICENSING CRITERIA**

Issued under Section 13(2) of the Microfinance Act, No. 6 of 2016

- |    |                         |      |   |
|----|-------------------------|------|---|
| 1. | Eligibility             | 1.1. | To be eligible to apply for a licence under the Act, the applicant shall be a company registered under the Companies Act, No.07 of 2007. Such applicant company shall not be a company limited by guarantee, a private company, an offshore company or an overseas company, within the meaning of the Companies Act, No.07 of 2007. |
|    |                         | 1.2. | Every applicant company shall submit audited financial statements and a report on its microfinance related activities, for the last three years.  |
| 2. | Minimum Core Capital    | 2.1. | Every applicant company should have an initial minimum core capital of Rupees One Hundred Million (Rs.100,000,000/-) as specified in the Core Capital Directions No. 01 of 2016 or such higher amount as the Monetary Board may determine.  |
| 3. | The Board's composition | 3.1. | The number of directors in the board shall not be less than Three (3) and not more than Nine (9).   |
|    |                         | 3.2. | The board may consist of executive directors, independent non-executive directors and non-independent non-executive directors.  |
|    |                         | 3.3. | Number of executive directors shall not exceed One Third (1/3) of the number of directors of the board ('executive director' means an employee of a company appointed, elected or nominated as a director)  |



3.4. The board shall have at least One (1) independent non-executive director or One Third (1/3) of the total number of directors, whichever is higher.

A non-executive director shall not be considered independent if he/she,

- a) Has direct and/or indirect share holdings of more than Five percent (5%) of the company;
- b) Has been employed by the company during the Two (2) year period immediately preceding the appointment as director;
- c) Has a close relation who is a director or chief executive officer or a significant shareholder of the company. For this purpose, a "close relation" shall mean a spouse or a dependent child;
- d) Represent a significant shareholder of the company.

- |    |                           |      |  |
|----|---------------------------|------|--|
| 4. | Submission of Application | 4.1. | Every application for a licence shall be made in the Form "DSMI/LMFC/A" in Annexure I.   |
| 5. | Evaluation Fee            | 5.1. | Every applicant company shall pay a non-refundable evaluation fee of Rupees Fifty Thousand (Rs.50,000/-) at the time of submitting the application to the Central Bank of Sri Lanka. |
| 6. | Definition                | 6.1  | "Dependent child" shall have the same meaning assigned to the term in the Finance Business Act, No. 42 of 2011.  |

INDRAJIT COOMARASWAMY  
**Chairman of the Monetary Board**  
**Governor of the Central Bank of Sri Lanka**

Annexure I  
Form DSMI/LMFC/A

CONFIDENTIAL

Application for a Licence under the Microfinance Act, No. 6 of 2016

### **Instructions**

- 1) All applications should be typewritten or written in clear block letters.
- 2) If the space provided to give full details pertaining to an item of the application is not adequate, please use a separate sheet of paper wherever necessary. Such sheets should carry a cross reference to the relevant item. If an item is not applicable it must be clearly stated.
- 3) Every page of the completed application including annexures should be initialed by at least two directors.
- 4) All documents and statements referred to in Schedule I shall be submitted with the application.
- 5) Completed application signed by all members of the board of directors of the applicant company along with the other required documents should be submitted to:

***The Director***  
***Department of Supervision of Microfinance Institutions***  
***Central Bank of Sri Lanka***  
***No. 30, Janadhipathi Mawatha***  
***Colombo 01***  
***Sri Lanka***

To: The Monetary Board of the Central Bank of Sri Lanka  
 Central Bank of Sri Lanka  
 Colombo 01.

.....  
*Name of the Company*

of .....  
*Address*  
 .....

do hereby apply to the Monetary Board of the Central Bank of Sri Lanka for a licence in terms of the provisions of the Microfinance Act, No. 6 of 2016. The following information and documents are furnished in support of the application.

**(1) General Information of the Company**

- 1.1. Date of incorporation as a company:
- 1.2. Date of commencement of business:
- 1.3. Address of:
  - 1.3.1. Registered Office:
  - 1.3.2. Head/Administrative Office:
  - 1.3.3. Branch Office(s):

| Location | District | Province | Contact Details |
|----------|----------|----------|-----------------|
|          |          |          |                 |
|          |          |          |                 |
|          |          |          |                 |
|          |          |          |                 |
|          |          |          |                 |

- 1.4. Financial year of the company:
- 1.5. Description of the main lines of business:

.....  
 .....  
 .....  
 .....  
 .....  
 .....

- 1.6. Shareholding Structure of the Company as at the date of application:
  - 1.6.1. Total number of shares:
  - 1.6.2. Number of shareholders:
  - 1.6.3. Names of the ten major shareholders a/:

| Name of Shareholder | No. of Shares | % of Issued Share Capital |
|---------------------|---------------|---------------------------|
| 1.                  |               |                           |
| 2.                  |               |                           |
| 3.                  |               |                           |
| 4.                  |               |                           |
| 5.                  |               |                           |
| 6.                  |               |                           |
| 7.                  |               |                           |
| 8.                  |               |                           |
| 9.                  |               |                           |
| 10.                 |               |                           |

a/ Refer item No. 4 of schedule I

**1.7 (A). Board of Directors**

| Full Name of director<br>(Please begin with the name of the Chairman) | Residential Address | Date of Birth<br>DD/MM/YYYY | National Identity Card (NIC) No. | Passport No. | Date of appointment as a director<br>DD/MM/YYYY | Qualifications | Occupation a/ | Contact Details |
|---|---------------------|-----------------------------|----------------------------------|--------------|---|----------------|---------------|-----------------|
| 1.  |                     |                             |                                  |              |   |                |               |                 |
| 2.  |                     |                             |                                  |              |   |                |               |                 |
| 3.  |                     |                             |                                  |              |   |                |               |                 |
| 4.  |                     |                             |                                  |              |   |                |               |                 |
| 5.  |                     |                             |                                  |              |   |                |               |                 |
| 6.  |                     |                             |                                  |              |   |                |               |                 |
| 7.  |                     |                             |                                  |              |   |                |               |                 |
| 8.  |                     |                             |                                  |              |   |                |               |                 |
| 9.  |                     |                             |                                  |              |   |                |               |                 |

a/ Position held in other entity

**1.7 (B). Chief Executive Officer (CEO)/General Manager (GM)**

| Full Name of CEO/GM | Residential Address | Date of Birth<br>DD/MM/YYYY | NIC No. | Passport No. | Date of appointment as a CEO/GM<br>DD/MM/YYYY | Qualifications | Occupation a/ | Contact Details |
|---------------------|---------------------|-----------------------------|---------|--------------|---|----------------|---------------|-----------------|
| 1.                  |                     |                             |         |              |   |                |               |                 |

a/ Position held in other entity

1.8. Name, address and contact details of the Secretary of the company:

.....  
 .....  
 .....

1.9. Names and addresses of the company's bankers:

| Name of the Bank | Branch | Address |
|------------------|--------|---------|
|                  |        |         |
|                  |        |         |
|                  |        |         |

1.10. **Auditors (External)**

1.10.1. Name of the Auditor, address and contact details:

1.10.2. Since which financial year has the said auditor audited the company?

1.10.3. Whether any of the partners/directors of the audit firm is a shareholder of the company. (If yes, give details):

1.10.4. Audit fees paid for the last three financial years :

1.10.5. Whether any financial accommodation is granted to the audit firm or a partner/director of the firm. (If yes, give details):

1.11. **Auditors (Internal)**

1.11.1. State whether the company has an internal auditor/internal audit functions:

If yes, provide the following details

(a) Name of the internal auditor:

(b) Qualifications and experience:

(c) Total staff available to the internal auditor and their qualifications:

| Name | Qualification | No. of Years in Service |
|------|---------------|-------------------------|
| 1.   |               |                         |
| 2.   |               |                         |
| 3.   |               |                         |
| 4.   |               |                         |
| 5.   |               |                         |

1.11.2. If the internal audit function is outsourced, state the following details:

- (a) Name of the internal auditor:
- (b) Address and Contact Details:
- (c) Qualifications and experience:
- (d) Number of years of service to the company:

1.11.3. Name of the authority to which the internal auditor reports:

**2. Core Capital of the Company<sup>a/</sup>**

As at the end of the last three financial years and as at the end of the month immediately preceding the month in which the application is made.

**(In Rupees '000)**

| Item  | 20..... | 20..... | 20..... | As at ..... |
|---|---------|---------|---------|-------------|
| (a) Issued and fully paid ordinary shares (issued for cash)                                 |         |         |         |             |
| (b) Issued and fully paid non-cumulative non-redeemable preference shares (issued for cash) |         |         |         |             |
| (c) Statutory reserves  |         |         |         |             |
| (d) General reserves  |         |         |         |             |
| (e) Retained profit or (loss) as shown in last audited statement of accounts                |         |         |         |             |
| (f) Unpublished current year's profit/(loss)  |         |         |         |             |
| (g) Core capital (from (a) to (f))  |         |         |         |             |

*a/ Refer item No. 6 of Schedule I*

**3. Details of the immovable properties (land and building)<sup>a/</sup>**

| Type of Immovable Property | Location | Cost | Revaluation (if any) |             |
|----------------------------|----------|------|----------------------|-------------|
|                            |          |      | Date                 | Amount (Rs) |
|                            |          |      |                      |             |
|                            |          |      |                      |             |
|                            |          |      |                      |             |
|                            |          |      |                      |             |
|                            |          |      |                      |             |

*a/ Refer item No. 7 of Schedule I*

**4. Related Party Exposures (Rs. '000)**

| Name of Company/<br>Individual | Nature of Relation-<br>ship <sup>1</sup> | Nature of Business | Equity Investments <sup>2</sup> |                        | Loans & Advances <sup>3</sup> |                         | Collateral <sup>4</sup> |                   | Any Other Exposures <sup>5</sup> |                         |  |
|--------------------------------|--|--------------------|---------------------------------|------------------------|-------------------------------|-------------------------|-------------------------|-------------------|----------------------------------|-------------------------|--|
|                                |  |                    | Amount                          | Share-<br>holding<br>% | On<br>Balance<br>Sheet        | Off<br>Balance<br>Sheet | Amount                  | Type <sup>6</sup> | On<br>Balance<br>Sheet           | Off<br>Balance<br>Sheet | Nature of Trans-<br>actions<br>(Pls.<br>specify) |
| <b>Companies</b>               |  |                    |                                 |                        |                               |                         |                         |                   |                                  |                         |  |
|                                |  |                    |                                 |                        |                               |                         |                         |                   |                                  |                         |  |
| <b>Individuals</b>             |  |                    |                                 |                        |                               |                         |                         |                   |                                  |                         |  |
|                                |  |                    |                                 |                        |                               |                         |                         |                   |                                  |                         |  |

<sup>1</sup> **H** – Holding company

**S** – Subsidiary (directly or indirectly owned subsidiaries)

**A** – Associate (directly or indirectly owned associates)

**OI** – Other investee entities

**D** – directors of the Company

**DH** – directors of the Holding Company

**DS** – directors of the Subsidiary Company

**DA** – directors of the Associate Company

**DOI** – directors of the Other Investee Entities

**SDC** – Spouse and Dependent Children of directors of the Company

**SDCO** - Spouse and Dependent Children of directors of any other related party companies

**KMP** - Key Management Personnel of the Company

**KMPO** – Spouse and Dependent Children of a KMP of the Company

**JD** – director of a company is a director of any entity (based on common directorship) shareholding

<sup>2</sup> Shareholding as a percentage of total issued share capital

<sup>3</sup> Loans and advances extended to the related party company/individual by the applicant company

<sup>4</sup> Collateral accepted against loans and advances extended to the related party company/individual by the applicant company

<sup>5</sup> Any exposure other than equity investment and loans and advances, *e.g.*, intercompany transactions

<sup>6</sup> **IPF** – Immovable properties (Freehold basis)

**IPL** - Immovable properties (Leasehold basis)

**C** – Cash

**GS** – Government securities

**S** – Shares of own company

**SO** – Shares of other related party companies

**O** – Any other securities

*Note: KMP means a person having authority and responsibility for planning, directing and controlling the activities of any microfinance company directly or indirectly.*

**5. Large Exposures**

(Facilities that exceed 5% of the core capital of the applicant company or the 10 largest exposures)

| Name of Company/<br>Individual | Nature of Relationship <sup>1</sup> | Loan Type <sup>7</sup> | Classification <sup>8</sup> | Loans & Advances             |                           | Collateral           |      |
|--------------------------------|-------------------------------------|------------------------|-----------------------------|------------------------------|---------------------------|----------------------|------|
|                                |                                     |                        |                             | Granted Amount<br>(Rs. '000) | Outstanding<br>(Rs. '000) | Amount<br>(Rs. '000) | Type |
|                                |                                     |                        |                             |                              |                           |                      |      |
|                                |                                     |                        |                             |                              |                           |                      |      |
|                                |                                     |                        |                             |                              |                           |                      |      |
|                                |                                     |                        |                             |                              |                           |                      |      |
|                                |                                     |                        |                             |                              |                           |                      |      |
|                                |                                     |                        |                             |                              |                           |                      |      |
|                                |                                     |                        |                             |                              |                           |                      |      |
|                                |                                     |                        |                             |                              |                           |                      |      |

<sup>1</sup>H – Holding company

S – Subsidiary (directly or indirectly owned subsidiaries)

A – Associate (directly or indirectly owned associates)

OI – Other investee entities

D – directors of the Company

DH – directors of the Holding Company

DS – directors of the Subsidiary Company

DA – directors of the Associate Company

DOI – directors of the Other Investee Entities

SDC – Spouse and Dependent Children of directors of the Company

SDCO - Spouse and Dependent Children of directors of any other related party companies

KMP - Key Management Personnel of the Company

KMPO – Spouse and Dependent Children of a KMP of the Company

JD – director of a company is a director of any entity (based on common directorship) shareholding

<sup>7</sup> TL –Term Loans      L – Leasing      HP – Hire Purchases      P – Pawning      O – Others

<sup>8</sup> C – No arrears      O – 61 to 90 days in arrears      S - 91 to 180 days in arrears

D – 181 to 360 days in arrears      L – Over 360 days in arrears



**6. Asset Quality**

| Loan Type     | Performing Loans |                       | Non-Performing Loans  |                       |                          |                       |                           |                       |                          |                       | Total           |                       |
|---------------|------------------|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|---------------------------|-----------------------|--------------------------|-----------------------|-----------------|-----------------------|
|               | No Arrears       |                       | 61-90 days in Arrears |                       | 91 - 180 days in Arrears |                       | 181 - 360 days in Arrears |                       | Over 360 days in Arrears |                       |                 |                       |
|               | No. of Accounts  | Outstanding (Rs.'000) | No. of Accounts       | Outstanding (Rs.'000) | No. of Accounts          | Outstanding (Rs.'000) | No. of Accounts           | Outstanding (Rs.'000) | No. of Accounts          | Outstanding (Rs.'000) | No. of Accounts | Outstanding (Rs.'000) |
| Term Loans    |                  |                       |                       |                       |                          |                       |                           |                       |                          |                       |                 |                       |
| Leasing       |                  |                       |                       |                       |                          |                       |                           |                       |                          |                       |                 |                       |
| Hire Purchase |                  |                       |                       |                       |                          |                       |                           |                       |                          |                       |                 |                       |
| Pawning       |                  |                       |                       |                       |                          |                       |                           |                       |                          |                       |                 |                       |
| .....         |                  |                       |                       |                       |                          |                       |                           |                       |                          |                       |                 |                       |
| .....         |                  |                       |                       |                       |                          |                       |                           |                       |                          |                       |                 |                       |
| Other         |                  |                       |                       |                       |                          |                       |                           |                       |                          |                       |                 |                       |
| <b>Total</b>  |                  |                       |                       |                       |                          |                       |                           |                       |                          |                       |                 |                       |

7. Details of the borrowings as at end of the month immediately preceding the month in which the application is made.

| Name of the Source                          | Amount Received (Rs.'000) | Annual Interest Rate % | Date of Receipt of the Loan | Nature of Security | Amount Outstanding (Rs.'000) |
|---|---------------------------|------------------------|-----------------------------|--------------------|------------------------------|
| <b>A. From Licensed Banks</b>               |                           |                        |                             |                    |                              |
| i. ....                                     |                           |                        |                             |                    |                              |
| ii. ....                                    |                           |                        |                             |                    |                              |
| iii. ....                                   |                           |                        |                             |                    |                              |
| <b>B. From Other Financial Institutions</b> |                           |                        |                             |                    |                              |
| i. ....                                     |                           |                        |                             |                    |                              |
| ii. ....                                    |                           |                        |                             |                    |                              |
| <b>C. From directors</b>                    |                           |                        |                             |                    |                              |
| i. ....                                     |                           |                        |                             |                    |                              |
| ii. ....                                    |                           |                        |                             |                    |                              |
| iii. ....                                   |                           |                        |                             |                    |                              |
| <b>D. From Other Sources</b>                |                           |                        |                             |                    |                              |
| i. ....                                     |                           |                        |                             |                    |                              |
| ii. ....                                    |                           |                        |                             |                    |                              |
| iii. ....                                   |                           |                        |                             |                    |                              |
| <b>Total</b>                                |                           |                        |                             |                    |                              |

8. Current Lending Rates/Charges:

| Category        | Lending Rates (Range/Annual) |           |           |                | Default Charges |                  |
|-----------------|------------------------------|-----------|-----------|----------------|-----------------|------------------|
|                 | Less than 12 Months          | 12 Months | 24 Months | Over 24 Months | %               | Amount (Rs.'000) |
| Loans           |                              |           |           |                |                 |                  |
| Hire Purchase   |                              |           |           |                |                 |                  |
| Finance Leasing |                              |           |           |                |                 |                  |
| Pawning         |                              |           |           |                |                 |                  |
| Other Products  |                              |           |           |                |                 |                  |

We declare that the particulars stated in this application have been verified and are complete in all respects, and that the information is to our knowledge and belief true and accurate.

For and on behalf of .....  
 (Company)

Names of directors

Signatures

1. ....
2. ....
3. ....
4. ....
5. ....
6. ....
7. ....
8. ....
9. ....

- .....
- .....
- .....
- .....
- .....
- .....
- .....
- .....
- .....

Date : .....

(Common seal of the Company)

**9. If the company is a subsidiary or an associate of another company or a member of a group of companies, provide the following details of the Holding Company.**

**9.1 General Information of the Holding Company**

9.1.1. Date of incorporation as a company:

9.1.2. Date of Commencement of business:

9.1.3. Address of :

9.1.3.1. Registered Office:

9.1.3.2. Head/Administrative Office:

9.1.3.3. Branch Office(s):

**9.2. Description of the main lines of business :**

**9.3. Shareholding Structure of the Holding Company**

9.3.1. Names of the ten major shareholders:

| Name of Shareholder | No. of Shares | % of Issued Share Capital |
|---------------------|---------------|---------------------------|
| 1.                  |               |                           |
| 2.                  |               |                           |
| 3.                  |               |                           |
| 4.                  |               |                           |
| 5.                  |               |                           |
| 6.                  |               |                           |
| 7.                  |               |                           |
| 8.                  |               |                           |
| 9.                  |               |                           |
| 10.                 |               |                           |



We declare that the particulars stated in this form have been verified and are complete in all respects, and that the information is to our knowledge and belief true and accurate.

For and on behalf of .....  
 (Holding Company)

| Names of directors | Signatures |
|--------------------|------------|
| 1. ....            | .....      |
| 2. ....            | .....      |
| 3. ....            | .....      |
| 4. ....            | .....      |
| 5. ....            | .....      |
| 6. ....            | .....      |
| 7. ....            | .....      |
| 8. ....            | .....      |
| 9. ....            | .....      |

Date : .....

(Common seal of the Company)

**Schedule I**

**Documents to be submitted along with the application**

1. A certified copy of the Certificate of Incorporation.
2. A certified copy of the Memorandum and /or Articles of Association.
3. A certified copy of each of the latest forms filed with the Registrar of Companies regarding the registered address, list of directors, and the annual return (Forms 20, 13 and 15) certified by the Registrar of the Company.
4. Affidavits of the significant shareholders as per Schedule I (A).
5. Affidavits and declarations of the directors, CEO/General Manager and person selected for such appointment as per Schedule I (B) and Schedule I (C).
6. A letter of confirmation from the qualified auditor on the availability of minimum core capital as at end of the month immediately preceding the month in which the application is made.
7. Certified copies of valuation reports of each revalued immovable property.
8. Audited financial statements of the applicant company and its holding company for the last three years.
9. Financial statements of the applicant company audited by a qualified auditor as at the end of the month immediately preceding the month in which the application is made.
10. Organization chart of the applicant company.
11. A copy of the manual of operations of the applicant company.
12. A feasibility report, including projections on deposits, lending and other operations, profit and loss, etc., for the first 3 years of operation after obtaining licence.

13. Statement of the Board of directors in respect of the company’s ability to comply with the Directions issued and Rules made under the Microfinance Act, No. 6 of 2016.
14. Tax clearance certificate issued by the Inland Revenue Department.

**Note: In addition to the above, on receipt of the application, the Director of Department of Supervision of Microfinance Institutions may, where deemed necessary, require the applicant to furnish such other documents, information or other particulars.**

**Schedule I (A)**

**Format of the affidavit to be submitted by shareholders  
 Affidavit**

I,.....(full name) holder of National Identity Card No./  
 Passport No.....of.....(address)  
 being a Buddhist/Hindu/Christian/Catholic/Muslim do hereby solemnly, sincerely and truly declare and affirm/make oath  
 and state<sup>1</sup> as follows:

1. I am the affirmant / deponent above named.
2. I am a / the shareholder of.....(name of the company).
3. I affirm/ state that I am not being subjected to any investigation or inquiry in respect of a fraud, deceit, dishonesty or other similar criminal activity, conducted by the police, any regulatory or supervisory authority, professional association, commission of inquiry, tribunal, or any other body, established by law, in Sri Lanka or abroad;
4. I affirm/ state that I have not been found by any regulatory or supervisory authority, professional association, commission of inquiry, tribunal, or any other body established by law, in Sri Lanka or abroad, that I have committed or have been connected with the commission of any act which involves of fraud, deceit, dishonesty or other similar criminal activity or non-compliance with any statute or rules, regulations, directions or determinations issued thereunder;
5. I affirm/ state that I am not being subject to court proceedings or have been convicted by any court for an offence involving an act of fraud, deceit, dishonesty or other similar criminal activity;
6. I affirm/ state that I have not been convicted by any court for an offence involving moral turpitude;

The averments contained herein  
 were read over to the affirmant/  
 deponent who having understood  
 the contents hereof and having  
 accepted same as true, affirmed/  
 swore to and placed his/her  
 signature before me at .....  
 on this .....day of.....



Affix Stamps as  
 Applicable

**Before me**

**JUSTICE OF THE PEACE /  
 COMMISSIONER FOR OATHS**

**Note:**  
 1- Delete inapplicable words.  
 Christians and Catholics must make oath and state and Buddhists, Hindus, Muslims and persons following any  
 other religion must declare and affirm.

**Schedule I (B)**

**Format of the affidavit to be submitted by directors, chief executive officer/general manager and persons selected for such appointment**

**Affidavit**

I,.....(full name) holder of National Identity Card No./  
Passport No. ....of.....(address)  
being a Buddhist/Hindu/Christian/Catholic/Muslim do hereby solemnly, sincerely and truly declare and affirm/make oath  
and state<sup>1</sup> as follows:

1. I am the affirmant / deponent above named.
2. I am a / the.....(*designation*) /I have been selected for appointment as a/  
the .....(*designation*) of.....(*name of the  
company*).
3. I affirm/state that I possess the following academic and /or professional qualification/s in the relevant fields:  
.....  
.....
4. I affirm/state that the effective experience I possess in microfinance business, banking, finance, law or administration  
or other relevant discipline is as follows:  
.....  
.....  
.....
5. I affirm/ state that I am not being subjected to any investigation or inquiry in respect of a fraud, deceit, dishonesty  
or other similar criminal activity, conducted by the police, any regulatory or supervisory authority, professional  
association, commission of inquiry, tribunal, or any other body, established by law, in Sri Lanka or abroad;
6. I affirm/ state that I have not been found by any regulatory or supervisory authority, professional association,  
commission of inquiry, tribunal, or any other body established by law, in Sri Lanka or abroad, that I have committed  
or have been connected with the commission of any act which involves of fraud, deceit, dishonesty or other similar  
criminal activity or non-compliance with any statute or rules, regulations, directions or determinations issued  
thereunder;
7. I affirm/ state that I am not being subject to court proceedings or have been convicted by any court for an offence  
involving an act of fraud, deceit, dishonesty or other similar criminal activity;
8. I affirm/ state that I have not been convicted by any court for an offence involving moral turpitude;
9. I affirm/ state that I have not been declared an undischarged insolvent or a bankrupt, by any court in Sri Lanka  
or abroad;
10. I affirm/ state that I have not failed to satisfy any judgment or order of any court to repay a debt;
11. I affirm/ state that I have not been removed or suspended by a regulatory or supervisory authority from serving as  
a director, chief executive officer or other officer in any corporate body in Sri Lanka or abroad;
12. I affirm/ state that I have not been declared by a court of competent jurisdiction to be of unsound mind;
13. I affirm/ state that I am not a chief executive officer, director or holding any other position of authority in any  
licensed bank or a non-bank financial institution :
  - (i) whose licence or business has been cancelled or suspended on grounds of regulatory concerns; or
  - (ii) which has been wound up or is being wound up or which is being compulsorily liquidated whether  
in Sri Lanka or abroad.

14. I affirm/ state that I am not a director or an employee of another licensed microfinance company.

The averments contained herein were read over to the affirmant/ deponent who having understood the contents hereof and having accepted same as true, affirmed/ swore to and placed his/her signature before me at ..... on this .....day of.....



Affix Stamps as Applicable

Before me

**JUSTICE OF THE PEACE /  
 COMMISSIONER FOR OATHS**

**Note:**

- <sup>1</sup>- Delete inapplicable words.  
 Christians and Catholics must make oath and state and Buddhists, Hindus, Muslims and persons following any other religion must declare and affirm.

**Schedule I (C)**

Name of the company: .....

**Declaration to be submitted by directors/ Chief Executive Officer/General Manager/ Persons selected for such appointment  
 (with enclosures as appropriate as of .....**

**1. Personal Details**

- 1.1 Full name: .....
- 1.2 National Identity Card Number: .....
- 1.3 Passport Number: .....
- 1.4 Date of birth: .....
- 1.5 Permanent address: .....
- 1.6 Present address: .....

**2. Appointment to the company**

- 2.1 Date of appointment to the board / present position: .....
- 2.2 Designation: .....
- 2.3 Local or expatriate: .....
- 2.4 Annual remuneration (with details): .....
- 2.5 Annual value of benefits derived by director or Chief Executive Officer/General Manager and/or his/her family from company assets.  
 (Example by use of company land, building, vehicles, etc).
- 2.6 Expenses borne by the company on account of the maintenance of assets referred to in 2.5 or for reimbursement of any expenses (credit card bills, utility bills etc)
- 2.7 Purchased value and book value of such assets and the location of immovable assets.



**3. Personal Details of Relatives**

- 3.1 Full name of spouse:.....
- 3.2 National Identity Card Number: .....
- 3.3 Passport Number: .....
- 3.4 Details of dependent children: .....

|       | <i>Full name</i> | <i>NIC No.</i> | <i>Passport No.</i> |
|-------|------------------|----------------|---------------------|
| 3.4.1 |                  |                |                     |
| 3.4.2 |                  |                |                     |
| 3.4.3 |                  |                |                     |

**4. Background and Experience**

Name/s of the other institutions in which he/she is or has been a director or has been employed as the Chief Executive Officer/ General Manager:

| <i>Name of the institution</i> | <i>Period of office</i> | <i>Designation</i> |
|--------------------------------|-------------------------|--------------------|
|                                |                         |                    |
|                                |                         |                    |
|                                |                         |                    |
|                                |                         |                    |

**5. Shareholdings in Licensed Microfinance Companies and their Related Companies**

Share ownerships in Licensed Microfinance Companies, their subsidiaries and associates, if any, presently held :

| <i>Name of the institution</i> | <i>No. of shares</i> | <i>Percentage of holding</i> |
|--------------------------------|----------------------|------------------------------|
|                                |                      |                              |
|                                |                      |                              |
|                                |                      |                              |
|                                |                      |                              |

**6. Business Transactions**

Any business transaction the director or Chief Executive Officer /General Manager or a person selected for such appointment presently has with the applicant company, its subsidiaries or associates (if any) and other financial institutions.

| Name of the institution | Nature of transaction | Amount as at dd/mm/yyyy<br>(Rs. mn.) |             | Loan Classification<br>(performing/<br>non-performing) | Collateral |                 |
|-------------------------|-----------------------|--------------------------------------|-------------|--|------------|-----------------|
|                         |                       | Limit                                | Outstanding |  | Type       | Value (Rs. mn.) |
|                         |                       |                                      |             |  |            |                 |
|                         |                       |                                      |             |  |            |                 |
|                         |                       |                                      |             |  |            |                 |
|                         |                       |                                      |             |  |            |                 |

7. Any other explanation/information with regard to the information furnished above and other information considered relevant for assessing the suitability of the director, Chief Executive Officer/General Manager or person selected for such appointment in the applicant Company.

**DECLARATION:**

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Company and the Director, Department of Supervision of Microfinance Institutions of the Central Bank of Sri Lanka duly informed, as soon as possible, of all events, which take place subsequently, which is relevant to the information provided above.

I state that I am not prevented by any Statute from being appointed to the above post.

Date: .....

.....

*Signature of director / Chief Executive Officer/General  
 Manager/ person selected for such appointment*

**TO BE COMPLETED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS**

Any other explanation/information in regard to the information furnished above and other information considered relevant for assessing the suitability of the director/Chief Executive Officer/General Manager or person selected for such appointment.

Date: .....

.....

*Signature of the Chairman of the Board of Directors*

**MONETARY BOARD  
CENTRAL BANK OF SRI LANKA**

**27 October, 2016**

**MICROFINANCE ACT RULES**

**No. 02 OF 2016**

**LICENCE FEE**

Issued under Section 13(2) of the Microfinance Act, No. 6 of 2016.

1. Initial Licence Fee                      1.1. The licence fee payable by a Licensed Microfinance Company (LMFC) in the year of licensing shall be Rupees Fifty Thousand (Rs. 50,000/-) and shall be paid to the Central Bank of Sri Lanka on or before the date of licensing.
2. Annual Licence Fee                      2.1. Every LMFC shall pay an annual licence fee for every subsequent year to the year of licensing, to the Central Bank of Sri Lanka, on or before 31<sup>st</sup> January of the respective year, as set out below, based on the total assets of the company;

| <b>Total Assets as at end of the Previous Calendar Year</b> | <b>Annual Licence Fee (Rs.)</b> |
|---|---------------------------------|
| <b>Rs. 250 million or below</b>                             | <b>50,000/=</b>                 |
| <b>Above Rs. 250 million up to Rs. 500 million</b>          | <b>100,000/=</b>                |
| <b>Above Rs. 500 million up to Rs. 750 million</b>          | <b>150,000/=</b>                |
| <b>Above Rs. 750 million up to Rs. 1.0 billion</b>          | <b>200,000/=</b>                |
| <b>Over Rs. 1.0 billion</b>                                 | <b>250,000/=</b>                |

INDRAJIT COOMARASWAMY  
**Chairman of the Monetary Board  
Governor of the Central Bank of Sri Lanka**

11-611/1