

Circular #2

- 6th November 2001 -

In March 2001 Amana Takaful Limited requested the IBSL to inform banks that they are entitled to engage in "insurance business" and that their policies should be accepted. The IBSL then consulted the Attorney General who expressed the opinion that since 01 March 2001 Amana Takaful Limited cannot be considered as an Insurer for the purpose under the provisions of the Regulation of Insurance Industry Act No. 43 of 2000. (the Attorney General's opinion is attached as Annexure 1).

The position of the Attorney General was duly communicated to Amana Takaful Limited.

On receipt of documentary proof that Amana Takaful Limited had in fact been issuing insurance policies even after the IBSL had informed the company of the opinion of the Attorney General, the IBSL requested Amana Takaful Limited to refrain forthwith from engaging in "insurance business" and requested the Hon. Attorney General to file papers in Court to obtain a restraining order.

Yesterday we received the attached opinion (Annexure 2) of the Hon. Attorney General.

Since the Insurance Association of Sri Lanka requested the IBSL to keep its members duly informed of all-important developments, the two opinions, both of which are self-explanatory, are attached for your information.