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இலங்கைப் பிணையங்கள் மற்றும் பரிவர்த்தனை ஆணைக்குழு
SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA



By Hand

12th December 2013

Ref: SEC/LEG/13/12/23

To: The Colombo Stock Exchange

Directive issued under Section 13 (c) of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended)

The Securities and Exchange Commission of Sri Lanka (SEC) at its 326th meeting held on 28th November 2013 decided to adopt the Code of Best Practices on Related Party Transactions attached hereto on identified timelines and terms of adoption as specified hereunder.

Therefore the Colombo Stock Exchange is hereby directed to adopt the Code of Best Practices on Related Party Transactions (referred to as the "Code" hereinafter) annexed hereto as Annexure 1 subject to the terms of adoption as specified in the following manner;

1. All Public Listed Companies are required to adopt the Code with effect from 1st January 2014 (referred to as the "effective date" hereinafter) on a voluntary basis for an initial period of two years from the effective date.

Provided that where any Public Listed Company decides to adhere to the Code during the initial period of two years from the effective date, such Public Listed Company shall be exempted from complying with the disclosure requirements stipulated in Rule 7.6 (xvi) and item 29 of Appendix 8A of the Listing Rules of the Colombo Stock Exchange in respect of related party transactions. Any Public Listed Company that does not adopt the Code on a voluntary basis during the initial period of 2 years shall continue to comply with Rule 7.6 (xvi) and item 29 of Appendix 8A of the Listing Rules of the Colombo Stock Exchange in respect of related party transactions.

2. All Public Listed Companies shall adopt the Code mandatorily with effect from 1st January 2016.
3. The Rule 7.6 (xvi) and item 29 in Appendix 8A of the Listing Rules of the Colombo Stock Exchange shall be repealed on 1st January 2016.

The Colombo Stock Exchange is further directed to amend the Listing Rules of the Colombo Stock Exchange to adopt the Code with effect from 1st January 2014 on the aforementioned terms of adoption.

Dhammika Perera

Officer-in-Charge/ Deputy Director General

AA/SW

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