Depositors, White Gollar Grimes and Human Rights

CONTENTS

I	PREFACE	xi
II	LIST OF ABBREVIATIONS	xiii
III	TABLES OF STATEMENTS AND STATISTICS	xviii
IV	TABLE OF CASES	xix
V	TABLE OF STATUTES	xxvi
VI	CHAPTERS 1 - 17	1-336
Chap	oter 1.	1
	INTRODUCTION	
1.1	Through a thorny path	1
1.2	An over view of the scenario	4
1.3	A new window is open	6
1.4	Justification and benefits	8
1.5	Achievements expected	9
1.6	Coverage and limitations	10
Chap	oter 2.	12
	HISTORICAL DEVELOPMENT OF COMMERCE, SAVIN	IGS AND
	BANKING ENVIRONMENT IN A NUT SHELL	
2.1	Introduction	12
2.2	Brief history of commercial activities - World	12
2.3	Short history of commercial activities - Sri Lanka	15
Char	oter 3.	22
•	CONCISE HISTORY OF FINANCE COMPANIES IN SRI	LANKA
	AND THE FAILURES IN THE RECENT PAST	
3.1	Introduction	22
3.2	Brief history of finance companies	22
3.3	Bank and finance company failures since 1988 to	23
	2019 and efforts of depositors	
3.4	Unauthorised finance business	32
3.5	Regulatory action by CBSL	34
3.6	Fundamental rights petitions by the depositors	36
3.7	Out of court efforts of depositors' and Creditors'	37
Chap	oter 4.	39
	FINANCE BUSINESS, REGULATOR AND STRENGTH O	DF
	DEPOSITOR	
4.1	Introduction	39
4.2	Main functions of financial institutions and restrictions	39
4.3	Economic and legal back ground of finance business	41
4.4	Regulator	48
4.5	Strength of depositor	52

Depositors, White Tollar Trimes and Human Rights

4.6	Tables A-1, A-2 and A-3		59
Chapte	r 5.	63	
CRII	MES AND CRIMINAL LIABILITY		
5.1	Introduction		63
5.2	Crimes		63
5.3	Historical development of laws on crimes from early		64
	periods		
5.4	Determination of criminal liability and punishments		65
10 10	during middle ages		"
5.5	Definition of crime		66
5.6	Main types of crimes and blue collar crimes		68
5.7	Proof of a crime		68
5.8	Modern day criminal liability		70
5.9	Penal code of Sri Lanka		71
5.10	Penal code, statutory offences and general exceptions or		72
	excuses		
5.11	Strict criminal liability offences in SL		72
5.12	Vicarious liability and absence of Mens Rea		73
5.13	Corporate criminal liability		74
5.14	Criminal liability of corporate directors on corporate		78
	crimes		
Chapt	ter 6.	79	
W	HITE COLLAR CRIMES		
6.1	Introduction		79
6.2	Recognition of white collar crimes		80
6.3	Glimpse of the history of white collar crimes		82
6.4	Definitions of white collar crimes		84
6.5	Basic types of white collar crimes		87
6.6	Characteristics of white collar crimes		88
6.7	Sub classes of white collar crimes		89
6.8	White collar criminal		92
6.9	Theories on criminology relating to white collar crimes		93
6.10	White collar crimes in corporates		98
6.11	Corporate crime or organizational crime		100
6.12	Occupational crimes		103
6.13			109
6.14	Women in white collar crime		110
6.15			119
Cha	pter 7.	123	
	EXPERT'S VIEWS AND CRIMINOLOGICAL EXPLANATION		
	MAJOR WHITE COLLAR CRIME INCIDENT IN USA	12 ON	A
7.1	Introduction		
7.1	Savings and loans crisis		123
7.2			123
7.4	Expert's view on the significance of fraud		126
7.4	Outcomes relevant out of the debacle to finance companies of Sri Lanka		129

Dopositors, White Collar Trimes and Human Rights

7.5	Theoretical and general reasons for fewer prosecutions in white collar crimes	130
Char	oter 8.	133
	SELECTED WHITE COLLAR CRIME INCIDENCES AND EC	CONOMIC
	MPACT OF WHITE COLLAR CRIMES	
8.1	Introduction	133
8.2	Occupational crimes - State sector- Abuse of trust and	134
0.2	authority	
8.3	Occupational crimes – Private sector - Abuse of trust	136
8.4	Occupational crimes - Professionals	138
8.5	Corporate crimes	138
8.6	Personal crimes	140
8.7	Incidents of few white collar crimes by women	141
8.8	Women involvement in offences relating to corporate	144
	crimes -finance companies	
8.9	Incidents of few white collar crimes reported in foreign	145
	press	
8.10		148
8.11	Tables $C-1$, $C-2$, $D-1$ and $D-2$	152
	pter 9.	157
. 1	FEW INCIDENCES OF WHITE COLLAR CRIMES IN FINANC	E
(COMPANIES AND CRIMINOLOGICAL RELEVANCE	
9.1	Introduction	157
9.2	Incidents of white collar crimes of four failed finance	157
	companies	
9.3	Probable criminological explanations for the incidents of	162
	white collar crimes	
9.4	Corporate criminality in few other finance companies	167
9.5	Data on few failed finance companies, loss to economy	168
	and fewer number of criminals involved - Sri Lanka and	
	USA	
9.6	Tables E-1 and E-2, Appendix I and II	171
Cha	pter 10.	177
	REMEDIES FOR DEPOSITORS UNDER PRIVATE LAW	
10.1	Introduction	177
10.2	Law of contract	177
10.3	Communication of Acceptance of	178
10.4	•	181
		182
10.5		102
10.6	impossibilities Company law	186
		187
10.7		
10.8		188
10.9	Private law and human rights	196

Depositors, White Tollar Trimes and Human Rights

Chapter	11.	197
REM	IEDIES FOR DEPOSITORS UNDER PUBLIC LAW,	OFFENCES
UND	DER FINANCE BUSINESS ACT AND FEW REMEDIES	ADOPTED
IN C	THER JURISDICTIONS	
11.1	Introduction	197
11.2	Action against directors / employees	198
11.3	Cheques issued without funds	201
11.4	Application of employees Mens Rea to white collar	203
	crimes of finance companies and others	
11.5	Offences under FBA – Overview	203
11.6	Finance company fails to pay interest and deposit	205
11.7	Comparison - FBA Section 20 and similar Indian Acts	213
11.8	Action for wrongful gain and wrongful loss -Statutory veil lifting	
11.9	Identification doctrine or <i>Mens Rea</i> of key management personnel	
11.10	Offences by persons - Corporate and individual liability	218
11.11	Faults of finance companies on regulatory affairs and criminal prosecutions under self mens rea	221
11.12	Offences of shareholders, directors, employees and others	
	devoid of corporate status- Absence of reverse burden of proof	•
11.13	Criminal punishments and penalties	223
11.14	Few instances of other regulatory roles of CBSL under	223
11.15	FCA and FBA Countermeasures against the directions of CBSI	225
11.16	Countermeasures against the directions of CBSL	225
11.10	Remedies adopted in other jurisdictions on criminal offences by companies	225
Chapt	er 12.	228
н	UMAN RIGHTS	
12.1	Introduction	228
12.2	Human dignity and human rights	228
12.3	Human rights through religious teachings and ancien	t 230
12.4	practices Short history of modern human rights and humanitariar law	n 237
12.5	An outline of modern theories on human rights	242
12.6	Human rights theories vis a vis social contract theory	242
12.7	Modern thinking 1.5 to	246
-,1.1	progressive development of human rights	d 247
12.8	National, regional and international human rights and humanitarian law	d 249
12.9	UDHR, regional conventions and constitutions on human duties	n 252

Depositors, White Tollar Trimes and Human Rights

12.10	Economic development and human rights	253
Chapte	er 13.	254
VE	RTICAL APPLICATION OF HUMAN RIGHTS / FUNDA	MENTAL
RIC	GHTS IN SRI LANKA	
13.1	Introduction	254
13.2	Fundamental rights in a constitution and vertical application	254
13.3	Does every injustice is a violation of fundamental rights?	255
13.4	Articles on fundamental rights in CDSRSL of 1978	256
13.5	Is it only State responsibility?	256
13.6	Fundamental rights are for whom?	256
13.7	Individual and collective fundamental rights - restrictions	257
13.8	Basic requirements - Application of fundamental rights	258
13.9	Guidance from Supreme Court decisions	259
13.10	Awarding and termination of commercial contracts of State and contracts of employment under State	268
13.11	Fundamental rights of depositors and directors' of GKCCCL	269
13.12	Fundamental rights and fundamental duties	269
Chapte	er 14.	270
PR	IVATISATION OF HUMAN RIGHTS	
14.1	Introduction	270
14.2	Horizontal application of human rights	270
14.3	Scholars' views on the horizontal application	271
14.4	Comparisons, similarities, disagreements on scholars' views and common models	283
14.5	Horizontal applications under constitutions and conventions	285
14.6	Horizontal applications under CDSRSL	292
Chapte	er 15	296
НО	RIZONTAL APPLICATIONS FOR HUMAN RIGHTS VIO	LATIONS
OF	INDIVIDUALS AND CORPORATES IN INDIA AND SRI L	ANKA
15.1	Introduction	296
15.2	Difficulties in identifying horizontal applications in court	297
	decisions for violations of human rights- Constitutional	
	Constraints	
15.3	Horizontal application under special legislation - State responsibility- Damages borne by violators	297
15.4	Direct horizontal application – Violations without State responsibility - Damages borne by private violators - India	299
15.5	Indirect horizontal applications – State Liability within vertical application – Constitutional Obligations -SL	300
15.6	Justification for indirect horizontal application – SL	305

Chapter	16 308	8
THR	TICE FOR DEPOSITORS OF FAILED FINANCE COMPA OUGH HUMAN RIGHTS AND A WINDOW FOR HORIZO LICATION OF HUMAN RIGHTS ON CORRUPTION AND FRA	NTAL
16.1	Introduction	308
16.2	Vertical application – Breach of commercial contracts of deposits on account of white collar crimes – Settlement through State funds	309
16.3	Vertical application – Breach of commercial contracts of deposit on account of white collar crimes – Settlement through violators funds	315
16.4	Indirect horizontal application – A new path within vertical Application	316
16.5	Failure of the regulator on social contract theory and misuse of public property	318
16.6	A window for horizontal application – Corruption in public and private sector – Violation of fundamental rights	321
16.7	Protection from corruption as a human right	324
16.8	Final solution	325
Chapte	er 17 32	27
FU	TURE EXPECTATIONS	
17.1	Introduction	327
17.2	Conclusions	327
17.3	Thoughts for authorities	331
APPEN	NDICES	336
BIBLI	OGRAPHY	337
REFE	RENCES-I	341
(C R	Conference papers, Journals, World Wide Web - Books, Journals esearch articles)	and
REFE	RENCES- II	344
0	Journals, Information and facts from United Nations Organisation ther world bodies and miscellaneous sources)	
	RENCES-III	346
	Constitutions, Human rights instruments, Courts and Commission on human rights)	ns
	RENCES- IV	348
(Commissions and Committee Reports, Annual and Audit reports, Prospectuses and Audio presentations)	
REFE	ERENCES-V	240
	Newspaper articles, World Wide Web news, CBSL notices)	349
	ENDA	361
INDE	EX	365