

CHAPTER 216

CONTROL OF PRICES

Acts
Nos. 29 of 1950,
31 of 1952,
44 of 1957,
23 of 1962,
9 of 1964,
16 of 1966,

Laws
Nos. 21 of 1975,
43 of 1975,

Act
No. 33 of 1979.

AN ACT TO PROVIDE FOR THE REGULATION AND CONTROL OF THE PRICE OF COMMODITIES AND TO TAKE POWER TO REQUISITION FOR CERTAIN PURPOSES ARTICLES OTHER THAN ARTICLES OF FOOD OR DRINK AND TO PROVIDE FOR THE PAYMENT OF COMPENSATION IN RESPECT OF ANY ARTICLE SO REQUISITIONED.

[9th December. 1950.]

Short title.

1. This Act may be cited as the Control of Prices Act.

discharge of his functions, be subject to the general direction and control of the Controller.

Appointment of officers and servants.

2. (1) There may be appointed, by name or by office, for the purposes of this Act—

- (a) a Controller of Prices (Food), and such number of Deputy and Assistant Controllers of Prices (Food) as may be necessary;
- (b) a Controller of Prices (Miscellaneous Articles) and such number of Deputy and Assistant Controllers of Prices (Miscellaneous Articles) as may be necessary; and
- (c) such number of other officers as may be necessary to assist the aforesaid officers.

(2) Every Deputy or Assistant Controller may, subject to the general direction and control of the Controller, within the area of his appointment exercise, perform or discharge all or any of the powers, duties or functions vested in, imposed upon, or assigned to, the Controller by or under this Act.

***5.** (1) The Controller may, by general directions issued to any class of persons or by special directions issued to any particular person, prescribe, in relation to that class or that person, as the case may be—

Power to issue general or special directions.

- (a) the maximum quantity of any price-controlled article to be sold on any one day;
- (b) the times during which, and the places at which, such article may be sold; and
- (c) any other conditions as to the sale of that article,

(2) The act of appointment of any Deputy or Assistant Controller shall specify whether he is appointed as such for the whole of Sri Lanka or for any part thereof (the area for which such Deputy or Assistant Controller is appointed being hereinafter referred to as the "area of his appointment").

and so long as such directions are in force, every person to whom such directions apply shall sell or dispose of that article in accordance with such directions and not otherwise.

Powers and duties of officers.

3. (1) Every Deputy or Assistant Controller shall, in the exercise of his powers, the performance of his duties or the

(2) Every general direction issued by the Controller under subsection (1) shall be

• Section 4 is repealed by Law No. 43 of 1975—See also section 20 (7) of the National Prices Commission Law.

published by him in the Gazette and in at least one newspaper circulating in Sri Lanka.

(3) Every special direction issued to any person by the Controller under subsection (1) shall be in writing and shall be served on the person to whom it is issued; and any such direction shall be deemed to be served on such person if it is sent by post addressed to him at his place of business. In proving such service by post, it shall be sufficient to prove that the document containing the direction was duly addressed and posted.

Requisition of articles other than articles of food or drink. [§3, 9 of 1964.]

5A. (1) The Controller may, if it appears to him to be necessary or expedient so to do for the purpose of maintaining, controlling and regulating the supply of any article, other than an article of food or drink, in order to secure its sufficiency or its equitable distribution or its availability at a fair price, by special or general Order requisition any quantity of such article and give such directions as appear to him to be necessary or expedient in connexion with the requisition thereof.

(2) Where a special Order is made under subsection (1), the Controller shall—

- (i) specify the name and address of the person in respect of whom such Order is made and the quantity of the article which is to be requisitioned, and
- (ii) direct such person or any other person on his behalf, who is in possession or has control of that article at any place of any description specified in the Order, to deliver to such officer as may be authorized for the purpose in the Order at such place the quantity of that article requisitioned by the Order if required to do so by such officer.

(3) Where a general Order is made by the Controller under subsection (1), the Controller shall—

- (1) declare the quantity of the article, which is to be requisitioned from persons of any specified class or

description, to be a specified proportion of the total quantity of such article in the possession or control of each such person, and

- (ii) direct that every such person, or any other person on his behalf, who is in possession or has control of that article at any place of any description specified in the Order, to deliver to such officer as may be authorized for the purpose in the Order at such place the quantity of that article requisitioned by the Order if required so to do by such officer.

(4) Where the Controller requisitions any quantity of any article referred to in subsection (1), he may use or deal with, or authorize the use or dealing with, that quantity of that article to such extent and in such manner as he thinks expedient for any of the purposes specified in subsection (1), and may hold or sell or otherwise dispose of that quantity as if he were the owner thereof and as if that quantity were free from any mortgage, pledge, lien or other charge.

(5) The Controller, if it appears to him to be necessary for the effectual exercise of the powers conferred by subsection (1) may, by Order made applicable either to the whole of Sri Lanka or to any specified area thereof—

- (a) direct that no person, who, at the time when the Order takes effect, has in his possession or under his control at any premises in any area to which that Order applies any quantity of any article as may be described in the Order, shall remove that quantity or cause or permit it to be removed until the removal of that quantity therefrom is permitted by such officer or person as may be specified in the Order; or
- (b) require the owner or occupier of any premises in any such area to send to such officer or person as may be specified in the Order before such date as may be specified therein, a written declaration stating whether or not, on such date as may be

specified in the Order, any quantity of any such article was, is, or will be on the premises, and, if so, the quantity of such article which was, is or will be on the premises on that day, according as the Order may direct.

(6) For the purpose of exercising any of the powers conferred on the Controller by the preceding provisions of this section, the Controller or any officer authorized specially or generally in that behalf by the Controller, may at any time between sunrise and sunset enter and inspect any premises or place in which any article requisitioned or to be requisitioned by any special or general Order is kept or alleged to be kept and may make such examination therein as he may deem necessary.

In this subsection "examination" includes the weighing or measuring of any stocks of such article.

(7) Any officer of police or any other officer of Government who is requested so to do by the Controller or any officer authorized specially or generally in that behalf by the Controller shall aid and assist him in the exercise of his powers under the preceding provisions of this section.

Compensation in respect of articles requisitioned under section 5A. [§3, 9 of 1964.]

5B. Where" any quantity of any article has been requisitioned under the provisions of section 5A, compensation assessed in accordance with regulations which shall be made in that behalf under this Act shall be paid to the owner in respect of the requisition of that quantity.

Regulations.

6. (1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act;

(2) In particular, and without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations for or in respect of all or any of the following matters:—

(a) the returns and information to be furnished for the purposes of this Act;

• Paragraph (b) is repealed by Law No. 43 of 1975.

*(c) the power to summon and examine witnesses or informants, to administer oaths, to require the production of, or to impound, documents, and to search and inspect premises;

(d) the prohibition, regulation or control of the storage, removal or disposal of any articles, and the prevention of the hoarding of any articles, during the operation of any Order made or deemed to be made under the National Prices Commission Law fixing the prices of such articles; [§3. Law 43 of 1975-]

(dd) the removal, storage or disposal of any articles which are requisitioned by Orders made under section 5A (1), and the maintenance of records and registers, and the issue of receipts, by the Controller or persons acting under the authority of the Controller in respect of articles so requisitioned; [§4,9 of 1964.]

(ddd) the inspection of records and registers maintained by the Controller or persons acting under the authority of the Controller in respect of articles requisitioned by Orders made under section 5A (1) and the audit of accounts kept by the Controller or such person in respect of articles so requisitioned ; [§4,9 of 1964.]

(e) the seizure of articles in respect of which or in relation to which contraventions of any Order made or deemed to be made under the National Prices Commission Law fixing the prices of such articles, or of any regulation made under this Act have been or are suspected to have been committed, and the custody, sale and disposal of articles so seized or ordered by any court to be forfeited ; [§3, Law 43 of 1975-]

(ee) any matter in respect of which regulations are authorized or required by this Act to to be made; [§4,9 of 1964.]

(f) all matters incidental to or connected with the establishment of the Price [§2,33 of 1979-]

Control Reward Fund and the manner in which it is to be administered;

[§3. Law 43 of 1975.]

(g) any other mailer incidental or consequential to any of the matters hereinbefore mentioned, or which may be necessary for the purpose of securing compliance with any Order made or deemed to be made under the National Prices Commission Law fixing the prices of any article.

(3) Every regulation made by the Minister shall be published in the Gazette and shall come into operation upon such publication.

(4) Every regulation made by the Minister shall be brought before Parliament within a period of one month from the date of the publication of that regulation under subsection (3), or, if no meeting is held within that period, at the first meeting after the expiry of that period, by a motion that such regulation shall be approved.

(5) Any regulation which Parliament refuses to approve shall be deemed to be rescinded but without prejudice to the validity of anything previously done thereunder or to the making of any new regulation. The date on which such regulation shall so be deemed to be rescinded shall be the date on which Parliament refuses to approve the regulation.

(6) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the Gazette.

(7) Any regulation made by the Minister shall, when approved by Parliament, be as valid and effectual as if it were herein enacted. Notification of such approval shall be published in the Gazette.

Application of section 7 of the Interpretation Ordinance.

7. The provisions of section 7 of the Interpretation Ordinance shall apply in relation to the power to make regulations under this Act in like manner as they apply in the case of the power to make rules or issue Orders under any other enactment.

Offences and penalties. [§4. Law 43 of 1975.]

8. (1) Every person who acts in contravention of any Order or regulation made or deemed to be made under this Act or of any general or special direction given

under section 5 of this Act, or contravenes any Order made or deemed to be made under the National Prices Commission Law fixing the price of an article, or contravenes or fails to comply with any direction given or requirement imposed under section 5A of this Act or resists or obstructs any other person in the exercise of his powers under that section, shall be guilty of an offence.

(2) If-

(a) any person, carrying on business at any premises situated in any place or area in which an Order made or deemed to be made under the National Prices Commission Law fixing the price of an article is in operation, has in his possession for purposes of trade a stock of such article; and

[§4, Law 43 of 1975-]

(b) that person, or any person employed by him in the course of the business, when asked at those premises by any other person (hereinafter referred to as the * buyer ") to sell any quantity of such article, or when asked whether he or his employer has such article for sale—

(i) refuses to sell that quantity of the article or denies that he or his employer has the article, or uses any words, or gives any other indication, calculated to lead the buyer to suppose that he or his employer will not or cannot sell the article or has not got the article; or

(ii) offers to sell the article subject to a condition requiring the buying of any other article (whether or not an Order made or deemed to be made under section 20 of the National Prices Commission Law is in force in respect of such other article), or the making of any payment in respect of any service, or subject to any other condition, except a condition that the buyer shall pay the price forthwith.

[§4, Law 43 of 1975-]

the person carrying on the business or where such person is out of Sri Lanka, the person for the time being acting as manager or having control of the business shall be guilty of an offence, unless he proves that the act or default in respect of which he is charged was committed by some other person without his knowledge and that he had exercised all due diligence to prevent the commission of the act or default; and any person employed by him shall, where the act or default was committed by that person, also be guilty of such offence.

(3) In any prosecution for an offence under subsection (2), it shall be a sufficient defence for the accused to prove—

- (a) that on the occasion in question he supplied a reasonable quantity of the article, or had not a sufficient quantity in his custody or under his control to supply the quantity demanded; or
- (b) that he carried on the business in the article as a wholesale trader only, and that the sale of the quantity demanded by the buyer would have been contrary to the normal practice of a wholesale business; or
- (c) that the sale of the article on the occasion in question would have been contrary to any general or special direction issued to him under section 5.

(4) For the purposes of subsections (2) and (3)—

- (a) in determining what is a reasonable quantity, regard shall be had to all the circumstances of the case, including the question whether the buyer was or was not carrying on business as a trader in the article demanded, either atone or with other goods; and
- (b) if any person carries on business of any class in connexion with which any article is sold or supplied, or if he has been in the habit of selling or

supplying that article, he shall be deemed usually to carry on business in that article.

(5) Where an Order under 'the Food Control Act is in operation for the allocation and rationing of supplies of any article in any place, nothing in subsection (2) shall be deemed to require or authorize any person carrying on business in that place to sell to any person any quantity of that article, otherwise than in accordance with any regulations for the time being in force under that Act relating to the sale and delivery of such article during the operation of that Order.

(5A) The provision in section 72 of the Penal Code that nothing is an offence which is done by any person who by reason of a mistake of fact and not by reason of a mistake of law in good faith believes himself to be justified by law in doing it, shall not apply in the case of offences under this Act. [§2,44 of 1957-]

(6) Every person who commits an offence under this Act shall, on conviction after summary trial before a Magistrate—

- (a) (i) if it is the contravention of an Order made or deemed to be made under section 20 of the National Prices Commission Law, by selling an article above the maximum price fixed for that article by that Order, or of a regulation for the prevention of the hoarding of an article for which the maximum price is fixed by such an Order, be punished with rigorous imprisonment for a term not less than four weeks and not exceeding six months, and, in addition, with a fine not less than one thousand rupees and not exceeding seven thousand five hundred rupees, and [§3,33 of 1979-]
- (ii) if it is an offence other than that specified in the immediately preceding sub-paragraph (i), be liable to the aforesaid imprisonment or the aforesaid fine or to both such fine and such imprisonment; and [§2,44 of 1957-]

[§2,16 of 1966-]

(b) for a subsequent offence, committed after a conviction for the first offence, be punished with rigorous imprisonment for a term not less than three months and not exceeding two years and, in addition, with a fine not exceeding ten thousand rupees.

(7) The court which convicts any person of an offence under this Act may order the forfeiture of any article in respect of which the offence was committed.

[§4, Law 43 of 1975-]

(8) Where any person who is employed by any other person (such other person being hereinafter referred to as the "employer") to sell articles in the course of any business carried on by the employer at any premises, is, by reason of anything done or omitted to be done at those premises, convicted of the offence of contravening any provision of any Order made or deemed to be made under the National Prices Commission Law fixing the prices of the articles, or of a regulation made or deemed to be made under this Act, then the employer, or where the employer is out of Sri Lanka, the person for the time being acting as manager or having control of the business, shall also be guilty of that offence unless he proves to the satisfaction of the court that the offence was committed without his knowledge and that he exercised all due diligence to prevent the commission of the offence.

(9) In the case of an offence under this Act committed by a body of persons—

(a) where the body of persons is a body corporate, every director and officer of that body corporate shall be deemed to be guilty of that offence ; and

(b) where the body of persons is a firm, every partner of the firm shall be deemed to be guilty of that offence :

Provided that no such person shall be deemed to be guilty of an offence under this Act, if he proves that the offence was committed without his knowledge and that he exercised all due diligence to prevent the commission of the offence.

(10) Notwithstanding anything in the First Schedule to the Code of Criminal Procedure Act, every offence under this Act shall be a cognizable offence within the meaning of that Act.

(11) The Controller and every Deputy and Assistant Controller shall be deemed to be peace officers within the meaning of the Code of Criminal Procedure Act for the purpose of exercising any power conferred on peace officers by that Act.

8A. A court, before which an offender is convicted of an offence under this Act, may in respect of any fine imposed for such offence, direct that a sum not exceeding one-half of such fine or one-half of such amount as may be actually recovered from such offender, be paid to the Price Control Reward Fund established under this Act.

Court to direct payment of share of fine to Price Control Reward Fund. (§4. 33 of 1979.)

8B. (1) A Fund to be called the Price Control Reward Fund (hereinafter referred to in this section as " the fund ") is hereby established.

Price Control Reward Fund. §4. 33 of 1979.]

(2) There shall be paid into the fund—

(a) all sums directed to be paid thereto by a court or a Judge thereof under this Act or under any other written law, or by a Judge in his discretion. and

(6) such other payments as may be made In accordance with regulations made in that behalf.

(3) There shall be paid out of the fund—

(a) all payments given as rewards to such Price Control Inspectors and in accordance with regulations made in that behalf;

(b) the expenses incurred in the administration of the fund ; and

(c) all payments as may be made in accordance with regulations made in that behalf.

(4) The Controller of Prices shall be responsible for the administration of the fund and the accounts of the fund shall be audited annually by the Auditor-General.

Protection of officers.

9. No civil action or criminal prosecution shall be instituted or maintained against the Controller or any Deputy or Assistant Controller or any other officer appointed for the purposes of this Act in respect of any act bona fide done or omitted to be done in pursuance of any power or authority conferred or granted by or under this Act or by or under any Order or regulation made thereunder.

Application of Act. (§5, Law 43 of 1975.]

10. The provisions of this Act or of any Order made or deemed to be made under the National Prices Commission Law fixing the price of any article shall have no application to any article imported, purchased or stored by or on behalf of the naval, military, air force or civil authorities for the use of the armed services of Sri Lanka or the Government, or to the price at which any article specified by the Minister by Notification published in the Gazette is sold to any officer authorized by the Minister to purchase such article for the use of the Government; but nothing in this section shall be deemed or construed to permit any person to sell, or authorize any person to refuse to sell, any article to the naval, military or air force authorities, or to any other person on behalf of any of the last-mentioned authorities, in contravention of the aforesaid provisions.

interpretation.

11. in this Act, unless the context otherwise requires—

" appointed date " means the 9th day of December, 1950;

" article " means any article of food, drink or merchandise;

"Controller

(a) in relation to articles of food or drink, means the Controller of Prices (Food) appointed under section 2 (1) (a); and

(b) in relation to any other articles, means the Controller of Prices (Miscellaneous Articles) appointed under section 2(1) (b), and the expressions " Deputy Controller" and " Assistant Controller "shall be construed accordingly; and

" Order made or deemed to be made under the National Prices Commission Law" includes a variation under section 22 of the National Prices Commission Law of an Order made or deemed to be made under section 20 of that Law ; [§6, Law 43 of 1975]

"price-controlled article" means any article in respect of which an Order made or deemed to be made under the National Prices Commission Law fixing the price of such article, is in operation; [§6, Law 43 of 1975-]

" requisition ", in relation to any quantity of any article other than an article of food or drink, means to take possession of that quantity or to require that quantity to be placed at the disposal of the Controller. [§6.9 of 1964.]

12. Notwithstanding the repeal of section 4 of this Act by Law No. 43 of 1975, every Order made under the repealed section 4 in respect of any article, and in force on the 26th day of November, 1975, shall, in so far as that Order is not inconsistent with the provisions of the National Prices Commission Law, be deemed to be an Order made under section 20 of that Law. Savings. [§2, Law 43 of 1975.]