

# ACTS OF PARLIAMENT 2024

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**OFFICE FOR NATIONAL UNITY AND RECONCILIATION  
ACT, No. 1 OF 2024**

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*Office for National Unity and Reconciliation  
Act, No. 1 of 2024*

[Certified on 23rd of January, 2024]

L.D.-O. 16/2023

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE OFFICE FOR NATIONAL UNITY AND RECONCILIATION, IN ORDER TO ENSURE AND PROMOTE NATIONAL UNITY AND RECONCILIATION IN SRI LANKA; TO SET OUT THE POWERS, DUTIES AND FUNCTIONS THEREOF AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

WHEREAS having regard to the need and importance of national unity and reconciliation in the socio-economic development process in Sri Lanka and the commitment and consensus for the achievement of the same; Preamble

AND WHEREAS it has become a matter of national importance to establish an office for national unity and reconciliation in order to assure to every citizen equal opportunities in the economic, social, cultural and political spheres whilst safeguarding the identity and to build an inclusive society in which diversity will be respected and all communities will coexist in harmony and unity;

NOW THEREFORE BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

**1.** This Act may be cited as the Office for National Unity and Reconciliation Act, No. 1 of 2024. Short title

- 2.** The objects of the Act shall be - Objects of the Act
- (a) to promote and foster national unity, reconciliation and peaceful coexistence among all persons in Sri Lanka;
  - (b) to formulate and recommend to the Government, a national policy on reconciliation and coexistence;

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- (c) to facilitate the implementation of policies and programmes in relation to national unity and reconciliation that would help to build understanding, harmony and unity among all communities;
- (d) to recommend to the Government, measures to be taken to resolve matters causing tensions and conflicts within and among the different communities;
- (e) to provide assistance to the stakeholders working on reconciliation and coexistence in order to achieve coherence in peace and national unity initiatives; and
- (f) to assist and facilitate the implementation of any recommendation made by any reconciliation endeavour established under any written law, or any policy of the Government, for the purpose of achieving national unity and reconciliation.

PART I

ESTABLISHMENT OF THE OFFICE FOR NATIONAL UNITY AND  
RECONCILIATION

Establishment of  
the Office for  
National Unity  
and  
Reconciliation

**3.** (1) There shall be established an office which shall be called and known as the “Office for National Unity and Reconciliation” (hereinafter referred to as the “Reconciliation Office”).

(2) The Reconciliation Office shall be a body corporate having perpetual succession and a common seal and may sue and be sued in its corporate name.

(3) The headquarters of the Reconciliation Office shall be situated in Colombo and the Reconciliation Office may, from time to time, establish such number of regional offices as may be necessary, to achieve its mandate.

- 4.** (1) The Reconciliation Office shall consist of -
- Constitution of  
the  
Reconciliation  
Office
- (a) one *ex-officio* member appointed by the President, as nominated by the Minister, who shall be an officer not below the rank of an Additional Secretary of the Ministry of the Minister; and
- (b) ten other members appointed by the President on the recommendation of the Minister made in accordance with the provisions of subsection (2) (hereinafter referred to as the “appointed members”).

(2) In making recommendations for the appointment of members referred to in paragraph (b) of subsection (1), the Minister shall have due regard to -

- (a) ensure that the composition of the Reconciliation Office reflects the pluralistic nature of the Sri Lankan society;
- (b) ensure that the persons recommended to be appointed as members of the Reconciliation Office shall be persons having eminence and experience in one or more of the fields of human rights law, international humanitarian law, reconciliation and social harmony, national unity, management, project planning and regional development; and
- (c) ensure that the persons recommended to be appointed as members of the Reconciliation Office are not subject to any disqualification specified in section 5.



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(3) The President may, on the recommendation of the Minister, appoint one member as the Chairperson of the Reconciliation Office.

Disqualification  
to be a member  
of the  
Reconciliation  
Office

**5.** A person shall be disqualified from being appointed or continuing as a member of the Reconciliation Office, if such person –

- (a) is or become a Member of Parliament, of any Provincial Council or of any Local Authority;
- (b) is not, or ceases to be, a citizen of Sri Lanka;
- (c) has been or is adjudged an insolvent by a court of competent jurisdiction;
- (d) has been or is found to have a conflict of interest, which in the opinion of the President, formed on the recommendation of the Minister, conflicts with his duties as a member of the Reconciliation Office;
- (e) is or becomes unfit to continue in office by reason of illness or other infirmity of mind or body;
- (f) has been or is declared to be of unsound mind by a court of competent jurisdiction;
- (g) has served or is serving or a sentence of imprisonment imposed by any court in Sri Lanka or any other country; or
- (h) absents himself from three consecutive meetings without previously obtaining leave from the Reconciliation Office.

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6. (1) Every appointed member of the Reconciliation Office shall, unless such member vacates office earlier by death, resignation or removal, hold office for a term of three years from the date of the appointment and unless such member has been removed, shall be eligible for reappointment for not more than one further term, whether consecutive or otherwise.

Term of office  
of the appointed  
members

(2) For the purpose of this section, the period in which a member is appointed as an acting member shall not be considered as a 'term' of office within the meaning of this section.

7. (1) The office of an appointed member of the Reconciliation Office shall become vacant -

Removal and  
resignation of  
appointed  
members

- (a) upon the death of such member;
- (b) upon such member resigning such office by writing addressed to the President;
- (c) upon such member being removed from office on any ground specified in section 5; or
- (d) on the expiration of such member's term of office.

(2) A member of the Reconciliation Office may be removed from office by the President, if such person becomes disqualified under section 5 to be a member of the Reconciliation Office.

(3) The Chairperson may resign from the office of Chairperson by letter addressed to the President.

(4) Subject to the provisions of subsections (1) and (2), the term of office of the Chairperson shall be the period of membership of the Reconciliation Office.

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(5) (a) If the Chairperson of the Reconciliation Office becomes temporarily unable to perform the duties of his office, by reason of illness or other infirmity or due to absence from Sri Lanka or any other reason, the President may, subject to the provisions of section 4, appoint any other member of the Reconciliation Office to act as the Chairperson.

(b) If a member of the Reconciliation Office becomes temporarily unable to perform the duties of his office, by reason of illness or other infirmity or due to absence from Sri Lanka or any other reason, the President may, subject to the provisions of section 4, appoint any other qualified person to temporarily act in place of such member during such period.

(6) No act or proceeding of the Reconciliation Office shall be deemed to be invalid by reason only of the existence of any vacancy among its members, or defect in the appointment of any member thereof.

Quorum and the meetings of the Reconciliation Office

**8.** (1) The Chairperson shall preside at all meetings of the Reconciliation Office. In the absence of the Chairperson of any meeting of the Reconciliation Office, the members present at such meeting shall elect one of the members of the Reconciliation Office to preside at such meeting.

(2) The Chairperson or the member presiding at any such meeting of the Reconciliation Office shall, in addition to his own vote, have a casting vote.

(3) The quorum for meetings of the Reconciliation Office shall be five members.

(4) Subject to the other provisions of this Act, the Reconciliation Office may make rules, to regulate the procedure in regard to the conduct of its meetings, and the transaction of business at such meetings.

PART II

MANDATE, POWERS, DUTIES AND FUNCTIONS OF THE  
RECONCILIATION OFFICE

- 9.** The Reconciliation Office shall have the mandate to – Mandate of the  
Reconciliation  
Office
- (a) make recommendations to the Government and relevant authorities towards achieving national unity, reconciliation and durable peace in Sri Lanka;
  - (b) formulate a national policy and national action plan on reconciliation and coexistence;
  - (c) facilitate and implement programmes to promote national unity and reconciliation in Sri Lanka and to monitor the implementation thereof; and
  - (d) recommend to the Government, measures to be taken to resolve matters causing tensions and conflicts within and among the different communities, having adverse effects on national unity.
- 10.** The Reconciliation Office shall have the following powers, duties and functions: - Powers, duties  
and functions of  
the  
Reconciliation  
Office
- (a) to make recommendations to the Government and relevant authorities, on matters relevant to building national unity and reconciliation in Sri Lanka and other matters specified in the mandate of the Reconciliation Office;
  - (b) to formulate a national policy on reconciliation and coexistence and assist the implementation of the same;

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- (c) to formulate and implement the national action plan on reconciliation and coexistence comprising of the programmes specified in the Schedule to this Act;
- (d) to identify the persons or groups of persons aggrieved within the social layers of the Sri Lankan society due to ethnic, religious, linguistic, social, political and economic factors;
- (e) to develop affirmative action programmes for the persons or groups of persons referred to in paragraph (d) within the national action plan on reconciliation and coexistence;
- (f) to pursue the efforts towards reconciliation and the strengthening of national unity, and to address post-conflict concerns such as the return and resettlement of internally displaced people, and the rehabilitation and reintegration of concerned persons;
- (g) to launch public awareness and education campaigns on the national policy on reconciliation and coexistence and the national action plan;
- (h) to mainstream the values defined in the national policy on reconciliation and coexistence within Government institutions and existing national initiatives through annual work plans;
- (i) to identify the constraints to national integration and to take suitable action based on discussion and consensus of the relevant stakeholders;
- (j) to collaborate with the Ministries, government departments and other institutions dealing with matters relating to reconciliation and peace building;

- (k) to review various strategies that are being implemented and due to be implemented with regard to the national integration and reconciliation and to assist in the settlement of issues in implementing such strategies;
- (l) to make recommendations to the Government and other relevant authorities for the consultation with relevant stakeholders on required policies and actions for national unity, reconciliation, coexistence and building a lasting peace;
- (m) to assist the relevant authorities -
  - (i) to prepare and implement programmes on the promotion of national integration, reconciliation and coexistence and national harmony and to integrate such programmes into development plans at the district level;
  - (ii) to implement the recommendations made by any reconciliation endeavour established under any written law, or any policy of the Government, for the purpose of achieving national unity and reconciliation;
  - (iii) to resolve issues that may emerge in the process of peace building and reconciliation by making proposals on appropriate solutions to such issues; and
  - (iv) to seek funds for implementation of programmes and projects on national unity and reconciliation, conducted under this Act;

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- (n) to liaise and coordinate with other local and foreign institutions, development partners and civil society with a view to promoting the objects of the Act;
- (o) to assist, guide and facilitate peace and reconciliation programmes conducted by local organisations including community based organisations;
- (p) to make rules to ensure the effective functioning of the Reconciliation Office including its administration;
- (q) to make rules and issue guidelines from time to time which shall include gender and child responsive policies, to be followed by the staff of the Reconciliation Office relating to the exercise, performance and discharge of its powers, duties and functions;
- (r) to appoint, employ and dismiss officers and employees of the Reconciliation Office and to exercise disciplinary control over such officers and employees;
- (s) to request secondment of public officers to the Reconciliation Office; and
- (t) to appoint committees and establish in addition to any unit or division specifically mentioned in this Act, divisions and units as are required for the effective administration and functioning of the Reconciliation Office and to delegate such powers and functions as are necessary to such committees, divisions and units.

PART III

SECRETARIAT

**11.** (1) The Reconciliation Office shall have a Secretariat which shall be charged with the responsibility of administering the affairs of the Reconciliation Office.

Secretariat

(2) The Reconciliation Office shall appoint a Director-General, who shall be a person having qualifications and experience in the field of national unity and reconciliation and the Director-General shall be the Chief Executive Officer of the Reconciliation Office.

(3) There may be appointed, by the Reconciliation Office, such other officers and servants as may be necessary to assist the Reconciliation Office in the exercise, performance and discharge of its powers, duties and functions.

**12.** (1) At the request of the Reconciliation Office, any officer in the public service may with the consent of that officer and the Secretary to the Ministry of the Minister assigned the subject of Public Administration, be temporarily appointed to the staff of the Reconciliation Office for such period as may be determined by the Reconciliation Office or with like consent, be permanently appointed to such staff.

Appointment of public officers to the staff of the Reconciliation Office

(2) Where any officer in the public service is temporarily appointed to the staff of the Reconciliation Office, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis* apply to and in relation to such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Reconciliation Office, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis* apply to and in relation to such officer.



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Act, No. 1 of 2024*

PART IV

FINANCE AND REPORTING

Finances

**13.** The State shall provide the Reconciliation Office with adequate funds to enable the Reconciliation Office to discharge the functions assigned to it by this Act. Such funds shall be charged on the Consolidated Fund.

Salaries of  
members of the  
Reconciliation  
Office

**14.** The salaries of the members of the Reconciliation Office shall be determined by Parliament and be charged on the Consolidated Fund, and shall not be diminished during their terms of office.

Reconciliation  
Office to raise  
funds

**15.** The Reconciliation Office may raise funds –

- (a) by obtaining grants, gifts or endowments from within Sri Lanka; and
- (b) to achieve its mandate by obtaining grants, gifts or endowments from outside Sri Lanka:

Provided that, the funds under paragraph (b) shall be channeled through the Department of External Resources.

Financial year

**16.** (1) The financial year of the Reconciliation Office shall be the calendar year.

(2) The Reconciliation Office shall cause proper accounts to be kept of its income and expenditure, assets and liabilities.

(3) The accounts of the Reconciliation Office shall be audited by the Auditor General in terms of Article 154 of the Constitution.

**17.** The Reconciliation Office shall submit annual reports Reporting including its audited accounts, to Parliament, and shall also cause such reports to be made public within a period of one month of such reports being submitted to Parliament.

## PART V

### GENERAL

- 18.** (1) Any person who – Offences
- (a) wrongfully resists or obstructs any person authorised under this Act in the exercise of the powers conferred on such person;
  - (b) wrongfully hinders or obstructs the Reconciliation Office in the exercise, performance and discharge of its powers, duties and functions; or
  - (c) willfully provides false information to the Reconciliation Office,

commits the offence of contempt against the authority of the Reconciliation Office.

(2) Where the Reconciliation Office has reasonable grounds to believe that a person has committed the offence of contempt against the authority of the Reconciliation Office, the Reconciliation Office shall report such matter to the Court of Appeal. Every offence of contempt committed against the authority of the Reconciliation Office shall be punishable by the Court of Appeal as if it was an offence of contempt committed against the Court of Appeal.

**19.** (1) (a) No order, decision, act or omission of the Protection  
from action Reconciliation Office or any member, officer or servant thereof shall be questioned in any proceedings or any court of law, save and except in proceedings under Article 126 or 140 of the Constitution.

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(b) The writ jurisdiction conferred on the Court of Appeal by Article 140 of the Constitution in relation to any order, decision, act or omission of the Reconciliation Office or any member, officer or servant thereof, shall be exercised by the Supreme Court and not by the Court of Appeal.

(2) Other than in the circumstances provided for in subsection (1) of this section –

- (a) no proceedings civil or criminal, shall be instituted against any member of the Reconciliation Office or any officer or servant appointed to assist the Reconciliation Office, other than for contempt against the authority of the Reconciliation Office, for any act which in good faith is done or omitted to be done, by him, as such member or officer or servant;
- (b) no proceedings civil or criminal, shall be instituted against any member of the Reconciliation Office in respect of any report made in good faith by the Reconciliation Office under this Act or against any other person in respect of the publication by such person of a true account of such report; and
- (c) no proceedings civil, criminal or administrative, shall be instituted against any person consequent, to such person in good faith providing evidence or documentation to the Reconciliation Office.

Rules

**20.** (1) The Reconciliation Office may make rules for matters for which rules are required to be made under this Act.

(2) Every rule made under this Act shall be placed before Parliament and published in the *Gazette* within a reasonable period not exceeding three months.

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*Act, No. 1 of 2024*

- 21.** The members of the Reconciliation Office (for the limited purpose of their functions under this Act) and the officers and servants shall be deemed to be public servants for the purposes of the Penal Code (Chapter 19), the Anti-Corruption Act, No.9 of 2023 and the Evidence Ordinance (Chapter 14). Members & c. deemed to be public servants
- 22.** The Reconciliation Office shall be deemed to be a scheduled institution within the meaning of the Anti-Corruption Act, No.9 of 2023, and the provisions of that Act shall be construed accordingly. Reconciliation Office to be a scheduled institution
- 23.** (1) The Reconciliation Office may delegate to the Director-General, or any other member or officer thereof, any of its powers and functions. Delegation of Powers
- (2) The Director-General, the member or officer to whom any of the powers or functions of the Reconciliation Office has been delegated shall exercise and perform such powers and functions subject to the general or specific directions of the Reconciliation Office.
- 24.** Unless the context otherwise requires, in this Act - Interpretation
- “Minister” means the Minister assigned the Reconciliation Office under Article 44 or 45 of the Constitution; and
- “community based organisations” means non-profit or non-governmental organizations that operates at the grassroots level within a specific community or locality.
- 25.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. Sinhala text to prevail in case of inconsistency

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Act, No. 1 of 2024*

SCHEDULE

[section 10(c)]

**Programmes to be comprised in the national action plan on  
reconciliation and coexistence**

1. Programmes to ensure reconciliation and coexistence that builds up awareness, peace and unity among all communities and follow up.
2. Programmes to promote and catalyze a multi-stakeholder effort to create a society that respects rule of law, fundamental rights, freedom, social obligations, mutual respect, non-discrimination, equity and diversity.
3. Programmes to establish a coherent network mechanism designed and established from regional level to the national level to promote dialogue, build consensus towards reconciliation and provide early warning and response to emerging conflicts.
4. Programmes to strengthen the governance, policies and curricula to promote reconciliation and social cohesion in the education system including schools, both public and private universities, tertiary and vocational education institutions.
5. Programmes to make psychosocial care and support system, including coordination, assessment, monitoring and evaluation strengthened to foster reconciliation among deprived communities.
6. Programmes to formulate a national action plan for preventing violent extremism, in consultation with the relevant Ministries and government departments and institutions.
7. Programmes to make recommendations to the Government on measures to be taken to resolve issues causing to stress and conflicts existed among different communities and implement such measures and follow up.
8. Programmes to formulate projects and programmes focused on social integration, education, conflict transformation, psychosocial supportive projects, arts and culture, awareness creation and socialization, economic engagement programmes under overall district development and local economic development plans, livelihood development plans with a special focus to women and youth integration.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**MEDIATION BOARD (AMENDMENT)  
ACT, No. 2 OF 2024**

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*Mediation Board (Amendment)*  
*Act, No. 2 of 2024*

[Certified on 23rd of January, 2024]

L.D.-O. 78/2021

AN ACT TO AMEND THE MEDIATION BOARD  
ACT, NO. 72 OF 1988

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

1. This Act may be cited as the Mediation Board (Amendment) Act, No. 2 of 2024. Short title

2. Section 2 of the Mediation Board Act, No. 72 of 1988 (hereinafter referred to as the principal enactment) is hereby repealed and the following new section substituted therefor:- Replacement of section 2 of Act, No. 72 of 1988

"Appointment of Commission 2.(1) The President shall appoint a Commission consisting of five persons (hereinafter referred to as the "Commission"), two of whom shall be from among persons who have held judicial office in the Supreme Court or the Court of Appeal or the High Court established by Article 154P of the Constitution and three of whom shall be from among persons who –

- (a) have not less than fifteen years of professional experience as Attorneys-at-law ;
- (b) have held posts of Class 1 officers in the Sri Lanka Administrative Service or in an All Island Service;
- (c) are retired staff officers in the Public Service; or
- (d) have held managerial level offices in the private sector possessing professional qualifications and experience in mediation or any other alternate dispute resolution process:



2 *Mediation Board (Amendment)*  
*Act, No. 2 of 2024*

Provided however, in appointing members to the Commission the President shall ensure that the membership of the Commission shall reflect the pluralistic character of Sri Lankan society.

(2) No person who has reached the age of seventy years as at the date of appointment shall be appointed to the Commission.

(3) The President shall nominate as Chairman of the Commission one of the members who has held judicial office as referred to in subsection (1).

(4) The Chairman and Commissioners shall hold office for a period of three years unless any one of them earlier dies, resigns or is removed from office:

Provided however, that, if at the expiration of the period of office of the Chairman or the Commissioners the new members of the Commission have not been appointed, the Chairman and Commissioners holding office on the day immediately prior to such expiration, shall continue in office until the new members are appointed.

(5) The Chairman or any Commissioner vacating office upon the expiration of his term of office shall be eligible for re-appointment subject to subsection (2).

(6) (a) The Chairman or any Commissioner may resign from office by letter addressed to the President.

(b) The Chairman or any Commissioner who is absent without reasonable cause for three consecutive meetings of the Commission, the

Commission may by resolution of such Commission at a meeting endorsed by the President of which due notice has been given to such Chairman or Commissioner, be removed from office.

(c) The President may without assigning a reason remove the Chairman or any Commissioner from office.

(7) The Chairman or any Commissioner who has resigned or has been removed from office shall not be eligible for re-appointment.

(8) (a) Where any vacancy arises in the Commission, by reason of death, resignation or removal of the Chairman or any Commissioner, the President shall fill such vacancy having regard to the provisions of subsections (1), (2) and (3).

(b) Any person appointed to fill a vacancy arising from the death, resignation or removal of the Chairman or any Commissioner, shall hold office for the unexpired period of the term of office of his predecessor.

(9) Where a Commissioner becomes, by reason of illness or other infirmity or absence from Sri Lanka temporarily unable to perform the duties of his office, the President may appoint a fit person to act in his place for the period of such incapacity or absence, and where the Commissioner who is so incapacitated or absent from Sri Lanka is the Chairman of the Commission, the President shall appoint the other Commissioner who has held judicial office as referred to in subsection (1), to act in his place until the resumption of duties by the Chairman of the Commission.

*Mediation Board (Amendment)  
Act, No. 2 of 2024*

(10) The Chairman and the Commissioners shall be remunerated in such manner and at such rates as may be determined by the Minister with the concurrence of the Minister assigned the subject of Finance.

(11) Three members of the Commission including a member who has held judicial office as referred to in subsection (1) shall constitute the quorum for any meeting of the Commission and the Chairman or in the absence of the Chairman, the other Commissioner who has held judicial office as referred to in subsection (1), elected at the meeting from among themselves shall preside at such meetings of the Commission. The Commission may regulate its own procedure in regard to meetings of such Commission and the transaction of business at such meetings.

(12) No act or proceeding of the Commission shall be deemed invalid by reason only of any defect in the appointment of the Chairman or any Commissioner.”.

Amendment of  
section 6 of the  
principal  
enactment

**3.** Section 6 of the principal enactment is hereby amended by the insertion immediately after subsection (1) thereof, of the following new subsections: -

“(1A) There shall be an officer assigned to each Mediation Board area who shall be attached to the Divisional Secretariat of the respective Divisional Secretary’s Division. Such officer shall accept any application made to the Chairman of the Panel of Mediators appointed for any Mediation Board Area situated within such Divisional Secretary’s Division:

Provided however, for the purposes of maintaining the secrecy, such officer shall not open any such application unless he is authorized in writing to do so by the Chairman of the Panel.

(1B) (a) Notwithstanding the provisions of subsection (1), an application with regard to a dispute referred to in subsection (1), which has been made to the Chairman of the Panel of Mediators appointed for any Special Mediation Board Area under the provisions of the Mediation (Special Categories of Disputes) Act, No. 21 of 2003, may, if such Chairman so decides, be referred to the Chairman of the Panel of Mediators, appointed for the same area under this Act.

(b) An application referred to in paragraph (a) shall be deemed to be an application made in terms of subsection (1).”.

4. Section 7 of the principal enactment is hereby amended as follows:-

Amendment of section 7 of the principal enactment

- (1) in paragraph (a) of subsection (1) of that section, by the substitution for the words “five hundred thousand rupees in value;” of the words “one million rupees in value;”;
- (2) in paragraph (d) of subsection (1) of that section, by the substitution for the words “rupees five thousand,” of the words “rupees one hundred thousand,”;
- (3) in subsection (1) of that section, by the substitution for the words and figures “the certificate of non-settlement referred to in section 14A”, of the words and figures “a report referred to in subsection (2) of section 12 or a certificate of non-settlement referred to in section 14A.”;
- (4) by the insertion immediately after subsection (1) of that section, of the following new subsection:-

“(1A) The Minister may, from time to time, by regulations made under section 23 of this Act, amend the monetary value of the subject matter referred to in paragraphs (a) and (d) of subsection (1) .”.

Insertion of  
section 9A in the  
principal  
enactment

**5.** The following new section is hereby inserted immediately after section 9 of the principal enactment and shall have effect as section 9A of that enactment: -

“Reference of  
an application  
to the Chairman  
of the Panel  
appointed for  
any Special  
Mediation Board  
Area

9A. (1) Where an application with regard to a dispute falling under any category of disputes specified in an Order made under section 2 of the Mediation (Special Categories of Disputes) Act, No. 21 of 2003, has been referred to a Mediation Board constituted under section 9 of this Act, such Mediation Board shall *ex mero motu*, refer such application to the Chairman of the Panel of Mediators appointed for the same area under the provisions of the Mediation (Special Categories of Disputes) Act, No. 21 of 2003.

(2) Notwithstanding the provisions of subsection (1), where-

- (a) the Panel of Mediators has not been appointed under section 4 of the Mediation (Special Categories of Disputes) Act, No. 21 of 2003; or
- (b) a Mediation Board constituted under section 9 fails to refer the application within a period of three months to the Chairman of the Panel appointed under the provisions of the Mediation (Special Categories of Disputes) Act, No. 21 of 2003, for the same Special Mediation Board Area ,

such applicant shall be entitled to obtain a document to that effect from the Commission or to make an application to the Chairman of the Panel referred to in paragraph (b) of this subsection.

(3) The document obtained under subsection (2) shall be deemed to be a certificate of non-settlement issued under section 14A.

(4) Where the parties to the dispute have not objected in arriving at a settlement by initiating proceedings of the Mediation Board constituted under section 9, a certificate of non-settlement referred to in subsection (3) or a settlement reached in the proceedings under this Act, shall not be deemed to be invalid, only due to not making the application to the proper Panel of Mediators in terms of Mediation (Special Categories of Disputes) Act, No. 21 of 2003.”.

**6.** Section 12 of the principal enactment is hereby repealed and the following new section substituted therefor:-

”Where no settlement is possible

12. (1) The Chairman or the Chief Mediator, shall issue to the disputants a certificate of non-settlement in the prescribed form signed by the Chairman or the Chief Mediator, in the case of an application made under section 6, as provided for in section 14A stating therein any of the following reasons for non-settlement:-

- (a) where it is not possible to constitute a Board under section 9, due to the non-appearance by one of the disputants for two consecutive dates, after due notification or after the expiry of three months from the date of making the application, whichever occurs first; or

Replacement of section 12 of the principal enactment

(b) upon a Board having been constituted under section 9, where-

(i) the disputants do not agree to a settlement;

(ii) it is not possible to arrive at a settlement due to the absence of one of the disputants after due notification; or

(iii) one of the disputants requests the issuance of a certificate under section 14A after the expiry of three months from the date of making the application.

(2) The Chairman or the Chief Mediator, shall issue a report in the prescribed form signed by the Chairman or the Chief Mediator, in the case of a dispute referred by any court under section 7 or 8, to such court stating that it has not been possible to settle the dispute by mediation and stating therein any of the following reasons for non-settlement:-

(a) where it is not possible to constitute a Board under section 9, due to the non-appearance by one of the disputants for two consecutive dates, after due notification or after the expiry of three months from the date of making the application, whichever occurs first; or

(b) upon a Board having been constituted under section 9, where-

- (i) the disputants do not agree to a settlement; or
- (ii) it is not possible to arrive at a settlement due to the absence of one of the disputants after due notification.”.

**7.** For the avoidance of doubt, it is hereby declared that the persons holding office as the Chairman and Commissioners of the Commission on the day immediately preceding the date of operation of this Act shall continue to exercise and perform the powers and duties under that enactment until a Commission is appointed under section 2 of the principal enactment and shall from and after the date on which such Commission is appointed cease to hold office as such Chairman and Commissioners.

Avoidance of doubt

**8.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency



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GOVERNMENT PRINTING, No. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**POWERS OF ATTORNEY (AMENDMENT)  
ACT, No. 3 OF 2024**

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**[Certified on 23rd of January, 2024]**

*Printed on the Order of Government*

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*Powers of Attorney (Amendment)*  
*Act, No. 3 of 2024*

[Certified on 23rd of January, 2024]

L.D.-O. 26/2023

AN ACT TO AMEND THE POWERS OF ATTORNEY  
ORDINANCE (CHAPTER 122)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

**1.** This Act may be cited as the Powers of Attorney (Amendment) Act, No. 3 of 2024.

Short title

**2.** Section 2 of the Powers of Attorney Ordinance (Chapter 122) (hereinafter referred to as the “principal enactment”) is hereby amended in paragraph (b) of the definition of the expression “power of attorney” thereof, by the substitution for the words “executed before two witnesses and an Ambassador” of the words “executed before an Ambassador”.

Amendment of  
section 2 of  
Chapter 122

**3.** Section 3D of the principal enactment is hereby amended by the substitution for the words “shall not execute” of the words “shall not execute”.

Amendment of  
section 3D of the  
principal  
enactment

**4.** Section 4 of the principal enactment is hereby amended by the repeal of paragraph (b) of subsection (1) thereof, and the substitution therefor of the following paragraph:-

Amendment of  
section 4 of the  
principal  
enactment

“(b) execute a document –

- (i) if it is executed in Sri Lanka before two witnesses and attested by a notary public; or
- (ii) if it is executed outside Sri Lanka before an Ambassador, or a High Commissioner, or a Diplomatic Officer or a Consular Officer within the meaning of the Consular Functions Act, No. 4 of 1981 or a person who is authorized to attest a power of attorney according to the law of that country,

declaring his intention of revoking or cancelling the power of attorney or expressing his intention not to act under that power of attorney, as the case may be; and”.

2 *Powers of Attorney (Amendment)*  
*Act, No. 3 of 2024*

Replacement of  
the Schedule II  
of the principal  
enactment

5. The Schedule II of the principal enactment is hereby  
repealed and following Schedule is substituted therefor:-

(sections 3(3) and 5)

SCHEDULE II

1.	Serial No.	
2.	Date of Registration	
3.	Description of the power of attorney	
4.	Name and address of the grantor	
5.	Name and address of the attorney	
6.	Date of power of attorney	
7.	By whom the power of attorney is produced for the registration	
8.	Volume and Folio where the true copy of the power of attorney is filed	
9.	Date and number of the document of revocation or cancellation	
10.	By whom the document of revocation or cancellation given	
11.	Date of registration of the document of revocation or cancellation	
12.	Volume and Folio where the document of revocation or cancellation is registered	

**6.** (1) Notwithstanding the provisions of paragraph (a) of subsection (1) and subsection (2), of section 8 of the Powers of Attorney (Amendment) Act, No. 28 of 2022, every power of attorney executed prior to October 25, 2022 and which has not been registered on or prior to the date of commencement of this Act shall be deemed to be valid for a period of two years from October 25, 2022, and be submitted for registration to the Registrar General within such period of two years. Validation

(2) Every power of attorney referred to in subsection (1) which is not submitted for registration within the period specified in that subsection, shall be deemed to be null and void, with effect from the date of expiration of that period.

**7.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. Sinhala text to prevail in case of inconsistency

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**PREVENTION OF FRAUDS (AMENDMENT)  
ACT, No. 4 OF 2024**

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**[Certified on 23rd of January, 2024]**

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*Prevention of Frauds (Amendment)*  
*Act, No. 4 of 2024*

[Certified on 23rd of January, 2024]

L.D. - O. 8/2023

AN ACT TO AMEND THE PREVENTION OF FRAUDS ORDINANCE  
(CHAPTER 70)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- |   |                                      |
|---|--------------------------------------|
| <p><b>1.</b> This Act may be cited as the Prevention of Frauds (Amendment) Act, No. 4 of 2024.</p>  | Short title                          |
| <p><b>2.</b> Section 2 of the Prevention of Frauds Ordinance (Chapter 70) is hereby amended as follows: -</p> <p>(1) by the renumbering of that section as subsection (1);</p> <p>(2) in the renumbered subsection (1) thereof-</p> <p style="padding-left: 20px;"><i>(a)</i> by the repeal of paragraph <i>(a)</i>, and the substitution therefor of the following:-</p> <p style="padding-left: 40px;">“<i>(a)</i> the relevant deed or instrument shall be in writing, signed by every executant or by any person duly authorised by such executant and the witnesses in the presence of a licenced notary public present at the same time and in the presence of one another, and the same shall be attested by such notary; and”;</p> <p style="padding-left: 20px;"><i>(b)</i> in paragraph <i>(b)</i>, by the substitution for the words, “the relevant deed or instrument:” of the words, “the relevant deed or instrument, in the presence of such notary public and the witnesses:”;</p> <p>(3) by the addition, immediately after subsection (1) of that section, of the following new subsection: -</p> | Amendment of section 2 of Chapter 70 |



*Prevention of Frauds (Amendment)  
Act, No. 4 of 2024*

“(2) In relation to a transfer deed –

- (a) both the transferor and the transferee shall affix their signatures and thumb impressions as required by subsection (1):

Provided however, where the transferee is unable to be present and execute the deed or instrument, he shall authorise in writing, any other person to sign such deed or instrument on his behalf, who shall comply with the requirements set out in subsection (1):

Provided further, where the transferee is a corporate body and where the Board of Directors of such corporate body is unable to be present and execute the deed or instrument, such Board shall authorise in writing, any other person to sign such deed or instrument on his behalf, who shall comply with the requirements set out in subsection (1).

- (b) if the transferee is a minor, a guardian shall be a competent person to act on behalf of the transferee for the purpose of this section.”.

Sinhala text to prevail in case of inconsistency

**3.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

**THE RECOGNITION AND ENFORCEMENT OF  
INTERNATIONAL SETTLEMENT AGREEMENTS  
RESULTING FROM MEDIATION  
ACT, No. 5 OF 2024**

[Certified on 31st of January, 2024]

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*The Recognition and Enforcement of International Settlement  
Agreements Resulting from Mediation Act, No. 5 of 2024*

[Certified on 31st of January, 2024]

L.D.-O. 42/2022

AN ACT TO GIVE EFFECT TO THE UNITED NATIONS CONVENTION ON  
INTERNATIONAL SETTLEMENT AGREEMENTS RESULTING FROM  
MEDIATION KNOWN AS THE SINGAPORE CONVENTION ON  
MEDIATION; TO MAKE PROVISIONS FOR THE RECOGNITION AND  
ENFORCEMENT OF INTERNATIONAL SETTLEMENT AGREEMENTS;  
AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR  
INCIDENTAL THERETO.

WHEREAS the Convention on International Settlement  
Agreements Resulting from Mediation (hereinafter referred  
to as the “Convention”) was adopted by the United Nations  
General Assembly on the Twentieth day of December Two  
Thousand and Eighteen, and subsequently came into force  
on the Twelfth day of September Two Thousand and Twenty: Preamble

AND WHEREAS having recognised the value of mediation  
as a method for settling commercial disputes amicably and  
noting the increase of the use of mediation internationally  
and nationally, the Government of Sri Lanka signed the  
Convention on the Seventh day of August Two Thousand  
and Nineteen:

AND WHEREAS establishing a legal framework on  
international mediation settlements under the Convention  
would reduce the instances where disputes result in  
termination of commercial relationships and contribute to the  
development of harmonious international economic relations:

AND WHEREAS it is necessary for the Government of Sri  
Lanka to enact legislative provisions to give effect to Sri  
Lanka’s obligations under the Convention:

2      *The Recognition and Enforcement of International Settlement  
Agreements Resulting from Mediation Act, No. 5 of 2024*

NOW THEREFORE BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

Short title  
and the date of  
operation

**1.** (1) This Act may be cited as the Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024.

(2) The provisions of this Act shall come into operation on such date as the Minister may, by Order published in the *Gazette* certify as the date on which the Convention enters into force in respect of Sri Lanka.

Application of  
the Act

**2.** (1) The provisions of this Act shall, subject to the provisions of section 3, apply to a written settlement agreement which is international by nature at the time of its conclusion, and which has resulted from mediation and has been concluded by parties to resolve a commercial dispute (hereinafter referred to as the “international settlement agreement”).

(2) The application of the provisions of this Act to any international settlement agreement shall be subject to the same extent specified in such reservations as may be declared under Article 8 of the Convention by the Government of Sri Lanka.

Settlements  
excluded  
from the  
scope of  
this Act

**3.** The provisions of this Act shall not apply to-

- (a) settlement agreements that have been entered into, to resolve a dispute in relation to –
  - (i) a transaction engaged in by one of the parties who is a consumer, for personal, family or household purposes;

- (ii) family matters, inheritance, or employment matters; or
- (b) settlement agreements –
  - (i) that have been concluded or recorded as a judgement of a court, in the course of judicial proceedings and are enforceable as a judgement of a court; or
  - (ii) that are enforceable as an arbitral award.

**4.** A settlement agreement shall be international by nature at the time of its conclusion where - International settlement agreement

- (a) at least two of the parties to the settlement agreement have their places of business in different States; or
- (b) the State in which the parties to the settlement agreement have their places of business is different from either –
  - (i) the State in which a substantial part of the obligations under the settlement agreement is performed; or
  - (ii) the State with which the subject matter of the settlement agreement is most closely connected.

**5.** Every international settlement agreement shall be valid and enforceable unless a decree of the High Court is refused upon application made under section 6, and the obligations assumed thereunder by the parties shall be honoured by the parties as in the case of any other contractual agreement. Validity of international settlement agreement

4 *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024*

Application to the High Court

**6.** (1) A party to an international settlement agreement may make an application to the High Court to have the international settlement agreement entered as a decree of the High Court for the purpose of enforcing such international settlement agreement.

(2) Upon receiving an application under subsection (1), if the High Court is satisfied that no grounds have been adduced to adjourn the proceedings or to refuse the grant of the relief prayed for, under the provisions of this Act, the High Court shall, on a day of which notice shall be given to the parties, proceed to enter judgement according to the international settlement agreement whereupon a decree shall be entered.

(3) Subject to the provisions of this Act, an international settlement agreement that is recorded by the High Court as a decree of the High Court may be-

- (a) enforced in the same manner as a judgement given, or an order made, by the High Court; and
- (b) relied upon by the parties to the international settlement agreement as a defence, set-off or otherwise in any court proceedings.

(4) The High Court shall have cognizance of and full power to hear and determine all actions specified in this Act.

Admissibility of international settlement agreement in court as evidence

**7.** Where a dispute arises in any action in relation to a matter which a party claims to have been resolved by an international settlement agreement, such international settlement agreement shall be admissible as evidence to establish that such matter has already been resolved.

**8. (1)** A party who makes an application to the High Court under section 6 or who intends to rely on an international settlement agreement which is admissible as evidence under the provisions of section 7 in any court proceeding shall submit the following documents to the High Court or court, as the case may be -

Requirements  
for  
reliance on  
international  
settlement  
agreements

- (a) the original or a duly certified copy of the international settlement agreement signed by the parties; and
- (b) evidence that the international settlement agreement resulted from mediation, such as –
  - (i) the signatures of the mediator or mediators on the international settlement agreement;
  - (ii) a document signed by the mediator or mediators certifying that the international settlement agreement was entered into as a result of mediation facilitated by such mediator or mediators, as the case may be;
  - (iii) an attestation by the institution that administered the mediation; or
  - (iv) in the absence of (i), (ii) or (iii), any other evidence acceptable to Court.

(2) For the purposes of subsection (1), “signature” shall include an electronic signature.

(3) The High Court or any other court may require the production before it of any document necessary to verify that the requirements specified in subsection (1) have been complied with.



6 *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024*

(4) Where the international settlement agreement is not in the language of the court, the court may require the international settlement agreement to be accompanied by a certified translation in the language of the court.

(5) For the purposes of subsection (4), the translation shall be certified by an official or a sworn translator or by a diplomatic or a consular agent in Sri Lanka of the country in which the international settlement agreement was entered into or otherwise to the satisfaction of the court.

Grounds for refusing an application to the High Court or admissibility of evidence

**9.** (1) The High Court to which an application is made in terms of section 6, or any other court in which an international settlement agreement is sought to be admitted as evidence in terms of section 7 may refuse to grant the relief, if any party to the international settlement agreement furnishes proof to establish that –

- (a) a party to the international settlement agreement was under some incapacity;
- (b) the international settlement agreement-
  - (i) is null and void, inoperative or incapable of being performed under the applicable law;
  - (ii) is not binding, or is not final, according to its terms; or
  - (iii) has been subsequently modified;
- (c) the obligations in the international settlement agreement –
  - (i) have been duly performed; or
  - (ii) are not clear or comprehensible;

- (d) granting relief would be contrary to the terms of the international settlement agreement;
  - (e) there was a serious breach by the mediator of the standards applicable to the mediator, or the mediation, without which breach that party would not have entered into the international settlement agreement; or
  - (f) there was a failure by the mediator to disclose to the parties the circumstances that raise justifiable doubts as to the mediator's impartiality or independence and the failure to disclose had a material impact or undue influence on a party, without which failure that party would not have entered into the international settlement agreement.
- (2) The court may also refuse to grant relief if it finds that –
- (a) granting relief would be contrary to the public policy of Sri Lanka; or
  - (b) the subject matter of the dispute is not capable of settlement by mediation under the laws of Sri Lanka.

**10.** Where an international settlement agreement has been recorded as a decree of the High Court under subsection(2) of section 6 in the absence of a party to the international settlement agreement, the High Court may, upon the application of that party, set aside the decree of court on any ground on which the High Court may refuse to grant the application to record the international settlement agreement as a decree of court.

Setting aside  
of  
decree of  
court

8 *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024*

Parallel applications or claims

**11.** Where an application has been made in terms of section 6 and is pending, and an application or a claim relating to such international settlement agreement (hereinafter referred to as a “parallel application”) has been made and is pending in any other court, in an arbitral tribunal or in any other institution having jurisdiction in Sri Lanka or in any other State, and the High Court is of the opinion that the proceedings of the parallel application may or are likely to affect the relief sought in terms of section 6, the High Court may -

- (a) adjourn the determination of the application before it until the proceedings of the parallel application are concluded; and
- (b) on the request of a party, order the other party to give suitable security.

Proceedings before the High Court

**12.** (1) Every application to the High Court under section 6 of this Act, shall be made by way of petition and affidavit, and all parties to the mediation other than the petitioner or petitioners shall be named as respondents to such petition and shall be given notice of the same.

(2) Upon the petition and affidavit being presented, the High Court shall appoint a day within two weeks of such presentation for the determination of the matters set out in the petition, and grant the respondents a date to state their objections, if any, in writing supported by affidavit, and make available copies thereof to the petitioner.

(3) Evidence shall be given by way of affidavit in proceedings before the High Court:

Provided however, where the High Court deems fit, it may take evidence *viva voce* in addition to evidence given by affidavit.

(4) Where an international settlement agreement has been recorded as a decree of the High Court, it may be enforced in

the same manner as a decree entered under the provisions of the Civil Procedure Code (Chapter 101) and accordingly the provisions of Chapter XXII of that Code relating to the execution of decrees shall, *mutatis mutandis*, apply to such enforcement.

(5) The High Court shall hear and finally dispose of the case within three months of the making of the application under section 6.

**13.** Where notices and summons are required to be served on any person under this Act, such notices and summons shall be served in or out of Sri Lanka in accordance with Chapter VIII of the Civil Procedure Code (Chapter 101).

Notices and  
summons

**14.** The provisions of the Mutual Assistance in Civil and Commercial Matters Act, No. 39 of 2000 shall apply in respect of providing assistance to any country as declared under section 4 of that Act for service of summons and other documents in a proceeding relating to a civil and commercial matter.

Assistance to  
a country

**15.** Where an application is made in terms of section 6, and no grounds are submitted to refuse such application in terms of section 9 or to adjourn the proceedings in terms of section 11, the High Court shall proceed to make a judgment according to the said agreement and enter the final decree on the final date for notice returnable.

Final decree  
on the final  
date for  
notice  
returnable

**16.** In this Act, unless the context otherwise requires-

Interpretation

“electronic” shall have the same meaning as in the  
Electronic Transactions Act, No. 19 of 2006;

“electronic signature” shall have the same meaning as in  
the Electronic Transactions Act, No. 19 of 2006;

10 *The Recognition and Enforcement of International Settlement Agreements Resulting from Mediation Act, No. 5 of 2024*

“High Court” means the High Court established for the Province by Article 154P of the Constitution and exercising civil jurisdiction under the High Court of the Provinces (Special Provisions) Act, No. 10 of 1996;

“mediation” means a process, irrespective of the expression used to the basis upon which the process is carried out, whereby parties attempt to reach an amicable settlement of their dispute with the assistance of one or more third parties (“the mediator”) lacking the authority to impose a solution upon the parties to the dispute;

“parties” means the parties to the international settlement agreement in relation to the mediation, and does not include the mediator or mediators conducting the mediation;

“place of business” means –

- (a) the principal place at which that party conducts business of such party;
- (b) if a party has more than one place of business, the place of business which has the closest relationship to the dispute resolved by the international settlement agreement, having regard to the circumstances known to, or contemplated by, the parties at the time of the conclusion of the international settlement agreement;
- (c) if a party does not have a place of business, it means the habitual residence of the party; and

“written” includes an electronic communication if the information contained therein is accessible so as to be useable for subsequent reference.

Sinhala text  
to prevail in case  
of  
inconsistency

**17.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**NOTARIES (AMENDMENT)  
ACT, No. 6 OF 2024**

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*Notaries (Amendment) Act, No. 6 of 2024*

[Certified on 31st of January, 2024]

L.D.-O. 7/2023

AN ACT TO AMEND THE NOTARIES ORDINANCE (CHAPTER 107)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- 1.** This Act may be cited as the Notaries (Amendment) Act, No. 6 of 2024. Short title
- 2.** Section 28 of the Notaries Ordinance (Chapter 107) (hereinafter referred to as the “principal enactment”) is hereby amended as follows:- Amendment of section 28 of Chapter 107
- (1) by the repeal of subsection (1) thereof, and the substitution therefor, of the following:-
- “(1) For the purpose of obtaining such certificate a declaration in writing, signed by such notary, containing the following particulars:-
- (a) his name and place or places of residence;
- (b) the exact situation of his office or of each of his offices;
- (c) the judicial zone in which he is authorized to practice,
- shall be delivered to such Registrar.”;
- (2) in subsection (1A) thereof, by the substitution for the words “Registrar of Lands.”, of the words and figures “Registrar of Lands and that any sum of money, if any, has been imposed by the Registrar-General in terms of section 35, has been paid.”.
- 3.** Section 31 of the principal enactment is hereby amended as follows:- Amendment of section 31 of the principal enactment
- (1) by the substitution for rule (5) thereof, of the following:-
- “Deeds to be written on undivided sheet or sheets signed by the Registrar of Lands
- (5) He shall not authenticate or attest any deed or instrument which is written on more than one entire or undivided parchment paper or blue sheet, unless-

*Notaries (Amendment) Act, No. 6 of 2024*

- (a) each of the sheets or papers used has been previously produced before the Registrar of Lands for the district in which the notary resides, and has been marked or signed or initialled by such registrar in order to prevent the sheets being used for any other purpose; or
- (b) the parties executing the same and the notary shall sign every sheet or piece in which any part of the deed or instrument is written; and
- (c) the pages are numbered.”;

(2) in rule (7A) thereof -

- (a) in paragraph (a), by the substitution for the words “any deed or instrument relating to a transfer, a gift or an exchange” of the words “every deed or instrument”;
- (b) by the substitution for paragraph (b), of the following:-
  - “(b) The stamps or the original receipt received from the relevant bank as proof of such payment shall be affixed to the duplicate of the deed or instrument by the notary.”;
- (c) by the addition, immediately after paragraph (c), of the following new paragraph: -
  - “(d) Where stamps are affixed to the duplicate of the deed or instrument, a true copy of the duplicate, to which such stamps are affixed shall be annexed to the original, when the original is presented for registration.”; and

(d) by the substitution for the marginal note, of the following: -

“Stamping of deeds or instruments”;

(3) in rule (9) thereof, by the substitution for the words “and in the latter case, he shall”, of the words, “he shall”;

(4) by the repeal of rule (10) thereof;

(5) in rule (15A) thereof -

(a) in paragraph (b), by the substitution for the words “board of directors or an authorized person of a corporate body”, of the words “board of directors or an authorized person of a corporate body”;

(b) by the repeal of paragraph (d);

(6) in rule (17) thereof-

(a) in paragraph (b), by the substitution for sub-paragraph (iii), of the following: -

“(iii) in the case of a deed of transfer or a deed of gift, or deed of exchange or a will, he shall affix to the protocol of such instrument passport size photographs of the signatories, other than the witnesses, to which the notary has affixed his seal and shall keep copies of national identity card, passport or driving licence of such signatories attached to the protocol;”;

(b) in paragraph (c) of that rule, by the substitution for the words “full name” of the words “name with initials”;

(7) in rule (20) thereof, by the substitution for paragraph (g), of the following: -

*Notaries (Amendment) Act, No. 6 of 2024*

- “(g) specifically the erasures, alterations, and interpolations which have been made in such deed or instrument, and whether they were made before the same was read over as aforesaid, and the erasures, alterations, and interpolations, if any, made in the signatures thereto, in its serial number, and in the writing on the stamp affixed thereto; and”;
- (8) in rule (26) thereof, by the substitution for the words “in the Form F” in subparagraph (i) of paragraph (a) of that rule, of the words and figures, “in the Form F 1”; and
- (9) in rule (29) thereof, by the substitution for the words “in the Form F”, of the words and figures, “in the Form F 1”; and
- (10) in rule (30) thereof, by the substitution for the words, “he shall annex a certified copy of the power of attorney obtained from the Registrar-General to the original, and true copies to the duplicate and the protocol thereof.”, of the words “he shall annex a true copy of the registered power of attorney to the original, duplicate and the protocol thereof.”

Insertion of new section 38A in the principal enactment

**4.** The following new section is hereby inserted immediately after section 38 of the principal enactment and shall have effect as section 38A:-

“Notary to explain the true nature of the transaction

38A .(1) It shall be the duty of every notary-

- (a) to endeavour to ascertain the true legal nature of the transaction between the parties and execute the deed or instrument for the true transaction; and

(b) specifically, and expressly explain to the executants the true nature of every deed or instrument before any executant signs such deed or instrument.

(2) He shall not directly or indirectly authenticate or attest any deed of transfer in respect of a transaction, which is in fact a mortgage, a conditional transfer, or any other similar instrument or deed.

(3) Any notary who shall knowingly and willfully execute a deed or instrument in violation of subsection (1) or (2) above shall be guilty of an offence, and be liable to a fine not exceeding five hundred thousand rupees. ”.

5. Section 43 of the principal enactment is hereby amended by the repeal of the definition of the expression “executant”.”. Amendment of the section 43 of the principal enactment

6. The Second Schedule to the principal enactment is hereby amended as follows: - Amendment of the Second Schedule to the principal enactment

(1) by the repeal of Form F thereof, and the substitution therefor, of the following: -

*Notaries (Amendment) Act, No. 6 of 2024*

“ **Form F** [section 31 (24)]

**Register of deeds**

Deed No.	Date of Attestation	Nature of Instrument	Name of Parties		District of Registration	Name of land affected by deed, first land only, if more than one	Consideration	Stamps on duplicate
			Grantor	Grantee				

(2) by the insertion immediately after Form F thereof, the following new form: -

[section 31 (26)]

“ **Form F 1**

**Monthly list of deeds**

List of deeds attested during the month of..... year.....

Name of the notary:

NIC No. of the notary:

No.:

No.	Deed No.	Date of Attestation	Name of the instrument	Grantor		Grantee		Registered District	Divisional Secretary's Division in which the land is situated	Name of the land	Local authority in which the land situated	Consideration	Stamp duty	
				Name and address	NIC No.	Name and address	NIC No.						Central Government	Provincial Council

Avoidance of doubt

**7.** For the avoidance of doubt, it is hereby declared that the provisions of this Act shall not affect any deed or instrument lawfully executed prior to the date of commencement of this Act and pending registration in accordance with the provisions of the Registration of Documents Ordinance (Chapter 117).



*Notaries (Amendment) Act, No. 6 of 2024*

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**8.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**CONTEMPT OF A COURT, TRIBUNAL OR INSTITUTION  
ACT, No. 8 OF 2024**

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**[Certified on 01st of February, 2024]**

*Printed on the Order of Government*

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*Contempt of a Court, Tribunal or Institution  
Act, No. 8 of 2024*

[Certified on 01st of February, 2024]

L.D.- O. 55/2021

AN ACT TO PROVIDE FOR THE UNIFORM APPLICATION OF THE LAW RELATING TO THE CONTEMPT OF A COURT, TRIBUNAL OR INSTITUTION; TO PROVIDE FOR THE PROCEDURE IN PUNISHING THE CONTEMPT OF A COURT, TRIBUNAL OR INSTITUTION; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- |  |                    |
|--|--------------------|
| <p><b>1.</b> This Act may be cited as the Contempt of a Court, Tribunal or Institution Act, No. 8 of 2024.</p>   | Short title        |
| <p><b>2.</b> The objects of this Act shall be to—</p> <p>(a) uphold the dignity and authority of a court, tribunal and institution;</p> <p>(b) protect the due administration of justice;</p> <p>(c) ensure adherence to judicial directives;</p> <p>(d) preserve and maintain the effectiveness and impartiality of a court, tribunal and institution;</p> <p>(e) strike a balance between the right of expression, fair comment and compliance with judicial directives;</p> <p>(f) set out with precision the ambit of contempt of a court, tribunal and institution; and</p> <p>(g) ensure the observance of, and respect for, the due process of law.</p> | Objects of the Act |

2 *Contempt of a Court, Tribunal or Institution*  
*Act, No. 8 of 2024*

Certain acts  
deemed to be  
contempt of  
a court,  
tribunal or  
institution

**3.** (1) Save as provided for in any other written law and subject to the provisions of the Constitution, any person who commits an act or omission with intent to-

- (a) bring the authority of a court, tribunal or institution and administration of justice into disrespect or disregard; or
- (b) interfere with, or cause grave prejudice to the judicial process in relation to any ongoing litigation,

commits contempt of a court, tribunal or institution, as the case may be.

(2) Save as provided for in any other written law and subject to the provisions of the Constitution, any person who does any of the following acts commits contempt of a court, tribunal or institution, as the case may be-

- (a) willful disobedience to any judgment, decree, direction, order, writ or other process of a court, tribunal or institution;
- (b) willful breach of an undertaking given to a court, tribunal or institution;
- (c) expressing, pronouncing or publishing any matter that is false which, or doing any other act which-
  - (i) scandalizes or lowers the judicial authority or dignity of a court, tribunal or institution;
  - (ii) gravely prejudices, or unlawfully interferes with, the due course of any judicial proceeding; or
  - (iii) interferes with, or obstructs the administration of justice;

- (d) (i) use of any electronic device or other instrument for audio or visual recording or both, in a court, tribunal or institution, or bringing into a court, tribunal or institution any such device or instrument for the purpose of audio or visual recording or both, without the leave of the court, tribunal or institution already obtained;
  - (ii) publication or transmission of an audio or a visual recording or both, of a proceeding or part of a proceeding of a court, tribunal or institution made by means of any electronic device or other instrument, or any such recording derived directly or indirectly from such device or instrument without the leave of the court, tribunal or institution already obtained;
  - (iii) use of any electronic device or other instrument, or publication or transmission of an audio or a visual recording or both, of a proceeding of a court, tribunal or institution, in contravention of any leave granted under sub-paragraph (i) or sub-paragraph (ii); or
  - (iv) tampering, altering or falsifying any audio or visual recording or both, of a proceeding of a court, tribunal or institution; or
- (e) scandalizing a court, tribunal or institution, or a judge or judicial officer with intent to-
- (i) interfere with the due administration of justice;
  - (ii) excite dissatisfaction in the minds of the public in regard to a court, tribunal or institution; or
  - (iii) cast public suspicion on the administration of justice.

4 *Contempt of a Court, Tribunal or Institution*  
*Act, No. 8 of 2024*

Defences against  
contempt of a  
court, tribunal  
or institution

4. (1) Any publication or expression of accurate facts made in good faith of a judge or judicial officer or, proceeding, judgment or order of a court, tribunal or institution as the case may be, on a matter of public interest shall not be deemed to be contempt of such court, tribunal or institution, where the risk of causing any impediment or prejudice to such judge or judicial officer or proceeding, judgement or order is merely incidental.

(2) Any publication or expression-

- (a) of accurate facts of any case or proceedings before a court, tribunal or institution made without malice or intention to impair the administration of justice; or
- (b) of fair comments on the merits of any judgment or order of a court, or action or application which has been heard and decided,

shall not be deemed to be contempt of a court, tribunal or institution where every attempt has been made to avoid any contempt and such publication or expression has been done *bona fide*.

(3) The provisions of subsections (1) and (2) shall not be construed as affecting or limiting any other valid defence for contempt of a court, tribunal or institution, contained in any other written law.

Non-disclosure  
of source of  
information

5. A person shall not be-

- (a) required to disclose, during the court proceedings;  
or
- (b) found guilty of contempt of court for refusing to disclose,

the source of information contained in a publication for which he is responsible, unless it is established to the satisfaction of the court that disclosure is necessary in the interest of justice or national security or for the prevention of disorder or crime.

*Contempt of a Court, Tribunal or Institution*      5  
*Act, No. 8 of 2024*

**6.** (1) The Supreme Court and the Court of Appeal shall have the power to punish for contempt of itself, whether committed in its presence or hearing or elsewhere.

Power of the Supreme Court and the Court of Appeal to punish contempt of a court, tribunal or institution

(2) Where the Supreme Court or the Court of Appeal, as the case may be, in the exercise of its jurisdiction as referred to in subsection (1), takes cognizance-

- (a) of contempt of court committed in its presence or hearing, the Supreme Court or the Court of Appeal shall hear and determine such matter in accordance with the procedure set out in section 8; and
- (b) of contempt of court committed otherwise than in its presence or hearing, the Supreme Court or the Court of Appeal shall hear and determine such matter in accordance with the procedure set out in section 9.

(3) The Court of Appeal shall have the power to punish for contempt of a Court of First Instance or tribunal or institution, whether committed in its presence or hearing or elsewhere:

Provided however, the provisions of this section shall not prejudice or affect the rights of a Court of First Instance to punish for contempt of itself.

(4) Where the Court of Appeal, in the exercise of its jurisdiction as referred to in subsection (3), takes cognizance of contempt of a Court of First Instance or tribunal or institution referred to in that subsection, the Court of Appeal shall hear and determine such matter in accordance with the procedure set out in section 10.

**7.** (1) Notwithstanding the provisions of any other written law, the Courts of First Instance shall have the power to punish for contempt of court committed in its presence or hearing or in the course of proceedings in such Courts of

Power of the Courts of First Instance to punish contempt of court



6 *Contempt of a Court, Tribunal or Institution*  
*Act, No. 8 of 2024*

First Instance, or any act which is specified in this Act or in any other written law for the time being in force as being punishable as contempt of court, subject to the provisions of this Act.

(2) Where any Court of First Instance takes cognizance of contempt of court referred to in subsection (1), such Court of First Instance shall hear and determine such matter in accordance with the procedure set out in section 11.

Procedure where contempt of court is in the presence of the Supreme Court or the Court of Appeal

**8.** (1) Where it is alleged, or appears to the Supreme Court or the Court of Appeal, as the case may be, that a person has committed contempt of court in its presence or hearing, the Supreme Court or the Court of Appeal may-

- (a) cause such person to be detained in custody;
- (b) at any time before the rising of the Supreme Court or the Court of Appeal, on the day on which the contempt of court is alleged to have been committed or as early as possible thereafter, cause a rule to be issued on him signed by the Registrar of the Court, giving particulars in writing of the contempt of court with which he is charged; and
- (c) fix a date for the hearing of the charge.

(2) On the date fixed for the hearing of the charge, the person charged with contempt of court shall be afforded an opportunity to make his defence to the charge.

(3) The Supreme Court or the Court of Appeal, as the case may be, shall, after affording the person charged with contempt of court an opportunity to furnish an affidavit in defence and hearing the person charged with contempt of court and taking such evidence as may be necessary or as

may be offered by such person, proceed either forthwith or after such adjournment as the Supreme Court or the Court of Appeal may think fit, to determine the charge and to make order for the punishment or discharge of the person charged.

(4) Notwithstanding anything contained in the preceding provisions of this section, where a person charged with contempt of court under subsection (1) applies, whether orally or in writing, to have the charge against him tried by some Judge or Judges other than the Judge or Judges in whose presence or hearing the contempt of court is alleged to have been committed, the Court shall cause the matter to be placed, together with a statement of the facts of the case, before the Chief Justice or the President of the Court of Appeal as the case may be, for such directions as the Chief Justice or the President of the Court of Appeal as the case may be, may think fit to issue with respect to the trial of the charge.

(5) Notwithstanding anything contained in any other written law, at the trial of a person charged with contempt of court under subsection (1) which is held, in pursuance of a direction issued under subsection (4), by a Judge or Judges other than the Judge or Judges in whose presence or hearing the contempt of court is alleged to have been committed, the statement of facts placed before the Chief Justice or the President of the Court of Appeal as the case may be, under subsection (4) by the Judge or Judges in whose presence or hearing the contempt of court is alleged to have been committed shall be received in evidence, but no such Judge or Judges shall be summoned or examined as a witness.

(6) The provisions of subsections (2) and (3) shall, *mutatis mutandis* but subject to the provisions of subsection (5), apply to the hearing and determination of the charge by the Judge or Judges other than the Judge or Judges in whose

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*Act, No. 8 of 2024*

presence or hearing the contempt of court is alleged to have been committed, in pursuance of a direction issued under subsection (4).

(7) The Supreme Court or the Court of Appeal, as the case may be, may, pending the determination of a charge under this section, direct that such person be released on bail subject to such conditions as such Court may deem fit to impose.

Procedure where contempt of court is not in the presence of the Supreme Court or the Court of Appeal

9. (1) The Supreme Court or the Court of Appeal, as the case may be, may take cognizance of contempt of court committed against it, or in disrespect of its authority, other than contempt of court committed in its presence or hearing, on-

- (a) its own motion;
- (b) a motion filed by the Attorney-General, together with any document or thing in support of the motion; or
- (c) a motion filed by any other person, together with an affidavit and any document or thing in support of the motion.

(2) Every motion or affidavit filed under subsection (1) shall set out the particulars of the contempt of court alleged to have been committed by the person alleged to have committed the contempt of court.

(3) The Supreme Court or the Court of Appeal, as the case may be, shall, after perusing the motion, and the affidavit, document or thing filed under subsection (1) and satisfying itself that a *prima facie* case of contempt of court has been established against the person alleged to have committed such contempt-

*Contempt of a Court, Tribunal or Institution*      9  
*Act, No. 8 of 2024*

- (a) cause a rule to be issued on such person signed by the Registrar of the Court, giving particulars in writing of the contempt of court with which he is charged;
- (b) direct that such rule, together with a copy of the document filed under subsection (1), be served personally on such person; and
- (c) fix a date for the hearing of the charge.

(4) On the date fixed for the hearing of the charge, the Attorney-General may lead the evidence of such witness relevant to the document filed under subsection (1), if necessary, subject to the right of cross-examination of the person charged with contempt of court.

(5) On the date fixed for the hearing of the charge, the person charged with contempt of court shall be afforded an opportunity to make his defence to the charge and shall be entitled to file an affidavit or to adduce evidence in his defence.

(6) The Supreme Court or the Court of Appeal, as the case may be, shall hear and determine the charge after considering the affidavit filed by the person charged with contempt of court or after hearing the evidence adduced by such person, as the case may be.

(7) Pending the determination of a charge under this section, the Supreme Court or the Court of Appeal, as the case may be, may direct that-

- (a) the person charged with contempt of court under this section be detained in such custody as it may specify; or

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*Act, No. 8 of 2024*

- (b) such person be released on bail subject to such conditions as it may deem fit to impose.

Procedure for the exercise of jurisdiction of the Court of Appeal in respect of contempt committed against a Court of First Instance, tribunal or institution

**10.** (1) The Court of Appeal may take cognizance of contempt committed against, or in disrespect of the authority of, a Court of First Instance or tribunal or an institution on-

- (a) a reference made to it by such Court of First Instance, tribunal or institution;
- (b) a motion filed by the Attorney-General, together with any document or thing in support of the motion; or
- (c) a motion filed by any other person, together with an affidavit and any document or thing in support of the motion.

(2) Every reference made, or motion or affidavit filed under subsection (1) shall set out the particulars of the contempt of the court, tribunal or institution as the case may be, alleged to have been committed by the person alleged to have committed such contempt.

(3) The Court of Appeal shall, after perusing the reference made or the motion or affidavit filed under subsection (1), as the case may be, and satisfying itself that a *prima facie* case of contempt of a court, tribunal or institution, as the case may be, has been established against the person alleged to have committed such contempt-

- (a) cause a rule to be issued on such person signed by the Registrar of the Court, giving particulars in writing of the contempt of court, tribunal or institution, with which he is charged;

(b) direct that such rule, together with a copy of the reference or motion and document made or filed under subsection (1), be served personally on such person; and

(c) fix a date for the hearing of the charge.

(4) On the date fixed for the hearing of the charge, the Attorney-General may lead the evidence of such witness relevant to the document filed under subsection (1), if necessary, subject to the right of cross-examination of the person charged with contempt.

(5) The Court of Appeal shall hear and determine the charge after considering the affidavit filed by the person charged with such contempt or after hearing the evidence adduced by such person, as the case may be.

(6) Pending the determination of a charge under this section, the Court of Appeal may direct that-

(a) the person charged with contempt of a court, tribunal or institution under this section be detained in such custody as it may specify; or

(b) such person be released on bail subject to such conditions as it may deem fit to impose.

**11.** (1) Where a Court of First Instance takes cognizance of contempt of court committed against, or in disrespect of the authority of, such Court of First Instance, such Court of First Instance shall, subject to the provisions of subsections (2) and (3), hear and determine such matter in accordance with the procedure set out in Chapter LXV of the Civil Procedure Code.

Procedure for the exercise of jurisdiction conferred on the Courts of First Instance to try contempt of court

12 *Contempt of a Court, Tribunal or Institution*  
*Act, No. 8 of 2024*

(2) Where the Judge of a Court of First Instance referred to in subsection (1) acts under section 795 of the Civil Procedure Code, such Judge shall inquire from the accused whether he wishes to be tried by a Judge other than the Judge in whose presence or hearing the contempt of court is alleged to have been committed.

(3) If the accused indicates to the Judge of such Court of First Instance, in response to the inquiry under subsection (2), orally or in writing, that he wishes to be tried by a Judge other than the Judge in whose presence or hearing the contempt of court is alleged to have been committed, such Judge shall cause the matter to be placed, together with the minutes of the facts recorded by such Judge, before the Chief Justice for such directions as the Chief Justice may think fit to issue with regard to the hearing of the charge.

Appeals

**12.** (1) An appeal may lie from any order or decision of the Court of Appeal in the exercise of its jurisdiction to punish for contempt of itself and a Court of First Instance, tribunal or institution, as the case may be, to the Supreme Court.

(2) The Supreme Court may, pending any appeal, order that—

- (a) the execution of the punishment, or the order or decision appealed against be suspended; or
- (b) the appellant, if he is in confinement, be released on bail.

(3) Where any person who is aggrieved by any order or decision of a Court of First Instance, against which an appeal may be filed, indicates to such Court of First Instance that he intends to prefer an appeal against such order or decision to the Court of Appeal, such Court of First Instance shall, until the expiry of the time limit for the filing of the appeal, order—

*Contempt of a Court, Tribunal or Institution*      13  
*Act, No. 8 of 2024*

- (a) the execution of the punishment, or the order or decision appealed against be suspended; or
- (b) the appellant, if he is in confinement, be released on bail.

**13.** (1) A court shall not initiate any proceedings in relation to contempt of a court, tribunal or institution, either on its own motion or otherwise, after the expiry of a period of one year from the date on which such contempt was formally brought to the attention of that court.

Period of limitation for proceedings for contempt of a court, tribunal or institution

(2) A tribunal or institution shall not refer to the Court of Appeal any matter relating to the contempt of such tribunal or institution, after the expiry of a period of one year from the date on which such contempt was formally brought to the attention of that tribunal or institution.

**14.** Where contempt of a court, tribunal or institution under this Act is committed by a body of persons, then-

Contempt of a court, tribunal or institution by a body of persons

- (a) if that body of persons is a body corporate, every director, manager or secretary of that body corporate at the time of the commission of such contempt;
- (b) if that body of persons is a firm, every partner of that firm at the time of the commission of such contempt; and
- (c) if that body of persons is an unincorporated body, every individual who is a member of such unincorporated body at the time of the commission of such contempt,

shall be deemed to have committed that contempt:



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Provided however, any director, manager or secretary of such body corporate or any partner of such firm or any individual of such unincorporated body shall not be deemed to have committed such contempt if he proves to the satisfaction of the court that such contempt was committed without his knowledge or that he exercised all due diligence to prevent the commission of such contempt.

This Act to  
prevail over  
other law

**15.** The provisions of this Act shall have effect notwithstanding anything to the contrary contained in any other written law, and accordingly, in the event of any inconsistency between the provisions of this Act and such other law, the provisions of this Act shall prevail.

Interpretation

**16.** In this Act, unless the context otherwise requires –

“Civil Procedure Code” means, the Civil Procedure Code (Chapter 101);

“Court of First Instance” means, the High Court of the Republic of Sri Lanka, the High Court for a Province established by Article 154P of the Constitution, the District Court, the Family Court, the Small Claims Court, the Magistrate’s Court or the Primary Court;

“institution” means, an institution created and established by written law for the administration of justice and for the adjudication and settlement of industrial and other disputes;

“publish” means, to disseminate, distribute, exhibit, provide or communicate by oral, visual, written, electronic or other means including by way of newspaper, radio, television or through the use

of the internet or other online communication system, to the public at large or a member of the public, and includes causing to be published, and “publication” is to be construed accordingly; and

“tribunal” means, a tribunal created and established by written law for the administration of justice and for the adjudication and settlement of industrial and other disputes.

**17.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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**PARLIAMENT OF THE DEMOCRATIC  
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SRI LANKA**

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**ONLINE SAFETY ACT, No. 9 OF 2024**

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**[Certified on 01st of February, 2024]**

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*Online Safety Act, No. 9 of 2024*

[Certified on 01st of February, 2024]

L.D.-O. 34/2021

AN ACT TO ESTABLISH THE ONLINE SAFETY COMMISSION; TO PROVIDE SAFETY FROM PROHIBITED STATEMENTS MADE ONLINE; TO PREVENT THE USE OF ONLINE ACCOUNTS AND INAUTHENTIC ONLINE ACCOUNTS FOR PROHIBITED PURPOSES; TO MAKE PROVISIONS TO IDENTIFY AND DECLARE ONLINE LOCATIONS USED FOR PROHIBITED PURPOSES IN SRI LANKA; TO SUPPRESS THE FINANCING AND OTHER SUPPORT OF COMMUNICATION OF PROHIBITED STATEMENTS AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

1. This Act may be cited as the Online Safety Act, No. 9 of 2024. Short title
  
2. The provisions of this Act shall apply where – Application of the Act
  - (a) a person commits an offence under this Act in respect of a citizen of Sri Lanka, while being present in Sri Lanka or outside Sri Lanka;
  - (b) a loss, damage or harm is caused within or outside Sri Lanka by the commission of an offence under this Act, to the State or to a person resident in Sri Lanka; or
  - (c) an offence under this Act, wherever committed, is committed by a person who is a citizen of Sri Lanka.
  
3. The objectives of this Act shall be- Objectives of the Act
  - (a) to protect persons against harm caused by communication of prohibited statements, by way of an online account or through an online location;

- (b) to ensure protection from communication of statements in contempt of court or prejudicial to the maintenance of the authority and impartiality of the judiciary, by way of an online account or through an online location;
- (c) to introduce measures to detect, prevent and safeguard against the misuses of online accounts and bots to commit offences under this Act; and
- (d) to prevent the financing, promotion and other support of online locations which repeatedly communicate prohibited statements in Sri Lanka, by way of online account or through an online location.

## PART I

### ESTABLISHMENT OF THE ONLINE SAFETY COMMISSION

Establishment of  
the Online  
Safety  
Commission

**4.** (1) There shall be established a Commission, which shall be called the Online Safety Commission (hereinafter referred to as the “Commission”).

(2) The Commission shall, by the name assigned to it by subsection (1), be a body corporate with perpetual succession and a common seal, and may sue and be sued in such name.

(3) The Commission shall exercise and perform the powers and functions assigned to it under this Act for the purpose of achieving the objectives of this Act.

Appointment of  
the members of  
the Commission

**5.** (1) The Commission shall consist of five members appointed by the President, subject to the approval of the Constitutional Council, from among the persons having

qualifications and experience in one or more of the fields of information technology, law, governance, social services, journalism, science and technology or management.

(2) Subject to the provisions of section 6, the President shall recommend the names of five persons to be appointed as members of the Commission under subsection (1), to the Constitutional Council for approval.

(3) The President shall, within a period of fourteen days of receiving the approval of the Constitutional Council, appoint the persons approved by the Constitutional Council under subsection (2) as members of the Commission.

(4) Where the Constitutional Council refuses to approve the name of a person referred to in subsection (2), the President shall make a fresh nomination, and the provisions of subsections (1), (2), and (3) shall apply to such nomination accordingly.

(5) In the event of the President failing to make the necessary appointments within the period of fourteen days as specified in subsection (3), the persons approved by the Constitutional Council shall be deemed to have been appointed as the members of the Commission, with effect from the date of the expiry of such period.

**6.** A person shall be disqualified from being appointed or continuing as a member of the Commission, if such person-

- (a) is elected or appointed as a Member of Parliament, a Member of a Provincial Council or a Member of a local authority;

Disqualification  
for being  
appointed as a  
member

- (b) is not or ceases to be a citizen of Sri Lanka;
- (c) directly or indirectly holds or enjoys an entitlement or benefit under an agreement entered by or on behalf of the Commission;
- (d) has any financial or other interest that may adversely impact the implementation of the functions as a member of the Commission;
- (e) absents himself from attending three consecutive meetings of the Commission, without a valid reason;
- (f) has been discovered or declared as a person of unsound mind under any law effective in Sri Lanka or in any other country;
- (g) a person who, having been declared an insolvent or a bankrupt under any law in Sri Lanka or in any other country, is an undischarged insolvent or bankrupt; or
- (h) has been sentenced or received an order for a term of imprisonment imposed by any court in Sri Lanka or in any other country.

Resignation,  
removal and  
term of office of  
members of the  
Commission

**7.** (1) A member of the Commission may resign from office by letter in that behalf addressed to the President, and such resignation shall take effect from the date on which the resignation is accepted in writing by the President.

(2) A member of the Commission may be removed from his office by the President, subject to the approval of the Constitutional Council following a hearing of the relevant member where such person—



- (a) is unable to exercise, perform and discharge the powers, duties and functions of such office because of an infirmity of body or mind that has lasted for more than a period of three months;
- (b) has failed to exercise, perform and discharge the powers, duties and functions of such office for a consecutive period of more than three months without the approval of the Commission; or
- (c) is disqualified in terms of the provisions of section 6.

(3) Any hearing under subsection (2) shall be concluded within three months from the date of commencement of such hearing.

(4) Upon the receipt of the approval of the Constitutional Council, the President shall, in writing, remove such member of the Commission, and shall state in the letter of removal-

- (a) the date on which the removal shall take effect which shall not be a date earlier than the date on which the letter of removal is received; and
- (b) the reasons for the removal.

(5) Any member of the Commission may be suspended from the office by the President prior to the commencement of the hearing or during the course of the hearing under subsection (2).

(6) The term of office of a member of the Commission shall be three years from the date of appointment.

(7) Where a member of the Commission vacates office by death, resignation or other cause, the President shall appoint, having regard to the provisions of sections 5 and 6, another eligible person in such member's place, and the person so appointed shall hold office for the unexpired period of the term of office of the member whom such person succeeds.

(8) A member of the Commission whose term of office is due to end otherwise than by removal, shall be eligible for reappointment for not more than one further term of office, whether consecutive or otherwise.

(9) Members of the Commission shall be paid such remuneration as may be determined by a resolution of Parliament and such remuneration shall be charged to the Fund of the Commission.

Chairman of the  
Commission

**8.** (1) The President shall appoint one of the members of the Commission to be the Chairman of the Commission (hereinafter referred to as the "Chairman").

(2) The Chairman may resign from the office of Chairman by letter in that behalf addressed to the President and the resignation shall take effect from the date on which it is accepted, in writing, by the President.

(3) The Chairman shall cease to be the Chairman, if disqualified to be a member of the Commission in terms of section 6.

(4) The term of office of the Chairman shall be three years.

(5) The Chairman shall not, on vacation of the office of Chairman, be eligible for reappointment as Chairman.

(6) Without prejudice to the provisions of this section, the Chairman shall, within one month of being appointed as the Chairman, nominate a member in writing, to be the Deputy Chairman to discharge the functions of the Chairman during his absence from office due to illness or any other cause.

**9.** (1) The Chairman shall summon all meetings of the Commission. Any member of the Commission may, by written notice, request the Chairman to call a meeting of the Commission and the Chairman shall not otherwise than for good reason, refuse to do so.

Meetings of the  
Commission

(2) The Commission may decide any matter, which is determined by the Chairman to be urgent with the agreement of the majority of the members.

(3) The Chairman shall preside at all meetings of the Commission and in the absence of the Chairman at any meeting, the Deputy Chairman shall preside at such meeting.

(4) The quorum for a meeting of the Commission shall be three members including the Chairman. In the absence of the Chairman, the quorum shall be three members including the Deputy Chairman.

(5) All matters for decision by the Commission shall be decided by a majority of the votes of the members of the Commission present and voting at the meeting at which the decision is taken. The decision so supported by the votes of a majority of the members of the Commission on any matter shall be deemed to be the decision of the Commission on that matter.

(6) All decisions of the Commission, supported by reasons, shall be in writing and the seal of the Commission affixed thereto in accordance with paragraph (c) of section 10.

(7) In case there is an equality of votes on any matter to be decided by the Commission, the Chairman shall have a casting vote.

(8) Subject to the preceding provisions of this section, the Commission may regulate the procedure in regard to the meetings of the Commission and the transaction of business at such meetings.

(9) No act, decision or proceeding of the Commission shall be deemed to be invalid by reason only of the existence of any vacancy in its membership or defect in the appointment of any member thereof.

Seal of the  
Commission

**10.** The Seal of the Commission-

- (a) shall be determined by the Commission and may be altered in such manner as may be determined by the Commission;
- (b) shall be in the custody of such person as the Commission may determine from time to time; and
- (c) shall not be affixed to any instrument or document except with the sanction of the Commission and in the presence of two members of the Commission who shall sign the instrument or document in token of their presence.

PART II

POWERS AND FUNCTIONS OF THE COMMISSION

**11.** The Commission shall have the following powers and functions: -

Powers and  
functions of the  
Commission

- (a) to issue directives to persons, internet service providers or internet intermediaries, who have published or communicated or whose service has been used to communicate any prohibited statement, requiring them to provide to persons who have been adversely affected by any prohibited statement, an opportunity of responding to such prohibited statement;
- (b) to issue notices to persons who communicate prohibited statements, to stop the communication of such statements;
- (c) to issue notices to any internet service provider or internet intermediary to disable access to an online location which contains a prohibited statement by the end users in Sri Lanka or to remove such prohibited statement from such online location;
- (d) to refer to the appropriate court as provided for in paragraph (3) of Article 105 of the Constitution or any other relevant written law for its consideration any communications that may be in contempt of court or prejudicial to the maintenance of the authority and impartiality of the judiciary, and to provide such assistance as may be required from any court in respect of any matter so referred to such court;

- (e) to make recommendations to internet service providers and internet intermediaries to remove prohibited statements;
- (f) to maintain an online portal containing information to enlighten the public of the falsity of any statement;
- (g) to specify declared online locations in terms of the provisions of this Act, and make recommendations to disable access to the information disseminated through such online location;
- (h) to carry out such investigations as may be necessary to exercise and perform the powers and functions of the Commission;
- (i) to issue codes of practice by way of rules for internet service providers and internet intermediaries who provide internet based communication services to the end users in Sri Lanka;
- (j) to register, in such manner as may be specified by rules made under this Act, the websites providing social media platforms to the end users in Sri Lanka;
- (k) to consult, to the extent the Commission considers appropriate, any person or group of persons who or which may be affected, or likely to be affected, in the discharge of its powers and functions;
- (l) to advise the Government, as the Commission deems appropriate, on all matters concerning online safety in Sri Lanka, within the purview of this Act;

- (m) to acquire and hold property movable and immovable, and to sell, lease, mortgage, exchange, or otherwise dispose of the same;
- (n) to enter into such contracts as may be necessary for the exercise, performance and discharge of its powers, duties and functions;
- (o) to obtain the assistance of the police in the conduct of any investigation undertaken by the Commission;
- (p) to appoint, employ and dismiss members of the staff of the Commission and to exercise disciplinary control over such staff; and
- (q) generally, to do all such other acts and things as are incidental to or consequential in the exercise, performance and discharge of its powers, duties and functions under this Act.

### PART III

#### PROHIBITION OF ONLINE COMMUNICATION OF FALSE STATEMENTS

**12.** Any person, whether in or outside Sri Lanka, who poses a threat to national security, public health or public order or promotes feelings of ill-will and hostility between different classes of people, by communicating a false statement, commits an offence and shall on conviction be liable to imprisonment for a term not exceeding five years or to a fine not exceeding five hundred thousand rupees or to both such imprisonment and fine.

Prohibition of communication of false statements in Sri Lanka

Communication of false statement amounting to contempt

**13.** Any person, whether in or outside Sri Lanka who communicates a false statement by way of an online account or through an online location which amounts to contempt of court, in the opinion of any court which exercises the special jurisdiction to punish the offence of contempt of court, in terms of paragraph (3) of Article 105 of the Constitution or any other relevant written law, commits an offence and the provisions of that Article and relevant written law shall, *mutatis mutandis*, apply in sentencing such person.

Wantonly giving provocation by false statement to cause riot

**14.** Any person, whether in or outside Sri Lanka who maliciously or wantonly, by way of an online account or through an online location, by communicating a false statement, gives provocation to any person or incites any person intending or knowing it to be likely that such provocation or incitement, will cause the offence of rioting to be committed, shall-

- (a) if the offence of rioting be committed in consequence of such provocation, be liable to imprisonment of either description for a term not exceeding five years, or to a fine not exceeding five hundred thousand rupees or to both such imprisonment and fine; and
- (b) if the offence of rioting be not committed, be liable to imprisonment of either description for a term not exceeding three years, or to a fine not exceeding three hundred thousand rupees, or to both such imprisonment and fine.

Disturbing a religious assembly by a false statement

**15.** Any person, whether in or outside Sri Lanka who by communicating a false statement, voluntarily causes disturbance to any assembly lawfully engaged in the performance of religious worship or religious ceremonies,



commits an offence and shall on conviction be liable to imprisonment of either description for a term not exceeding three years, or to a fine not exceeding three hundred thousand rupees, or to both such imprisonment and fine.

**16.** Any person, whether in or outside Sri Lanka who with the deliberate and malicious intention of outraging the religious feelings of any class of persons by way of an online account or through an online location by words, either spoken or written, or by visible representations, insults or attempts to insult the religion or the religious beliefs of that class by communicating a false statement, commits an offence and shall on conviction be liable to imprisonment of either description for a term not exceeding three years, or to a fine not exceeding three hundred thousand rupees or to both such imprisonment and fine.

Deliberate and malicious communication of false statement to outrage religious feelings

**17.** Any person, whether in or outside Sri Lanka who deceives any person by communicating a false statement, by way of an online account or through an online location-

Online cheating

- (a) fraudulently or dishonestly induces the person so deceived to deliver any property to any person, or to consent that any person shall retain any property; or
- (b) intentionally induces the person so deceived to do or omit to do anything which he would not do or omit, if he was not so deceived, and which act or omission causes or is likely to cause harm to that person in body, mind, reputation, or property, or damage or loss to the Government,

commits the offence of “online cheating” and shall on conviction be liable to imprisonment for a term which may extend to seven years or to a fine not exceeding seven hundred thousand rupees, or to both such imprisonment and fine.

Online cheating  
by personation

**18.** Any person, whether in or outside Sri Lanka who, by means of an online account, cheats by -

- (a) pretending to be some other person;
- (b) knowingly substituting one person for another; or
- (c) representing that such person or any other person is a person other than the person really is,

commits the offence of “online cheating by personation” and shall on conviction be liable to imprisonment of either description for a term which may extend to three years or to a fine not exceeding three hundred thousand rupees, or to both such imprisonment and fine.

Circulating false  
report with  
intent to cause  
mutiny or an  
offence against  
the State, & c.

**19.** Any person, whether in or outside Sri Lanka who communicates any false statement, with intent to cause any officer, sailor, soldier, or airman in the navy, army or air force of Sri Lanka to mutiny, or with intent to cause fear or alarm to the public, induces any other person to commit an offence against the State or against the public tranquillity, commits an offence and shall on conviction be liable to imprisonment of either description for a term not exceeding seven years, or to a fine not exceeding seven hundred thousand rupees, or to both such imprisonment and fine.

Communicating  
statements to  
cause harassment  
& c.

**20.** (1) Any person, whether in or outside Sri Lanka who wilfully makes or communicates a statement, with intention to cause harassment to another person (in this section referred to as the “target person”), by publishing any private information of the target person or a related person of the target person, and as a result causes the target person or any other person harassment, commits an offence and shall on conviction be liable to imprisonment for a term not exceeding five years or to a fine not exceeding five hundred

thousand rupees and in the event of a second or subsequent conviction, such term of imprisonment or fine or both such imprisonment and fine may be doubled.

(2) For the purpose of this section-

- (a) “private information” means personal information, including any image, audio or video details, that any person may reasonably expect to remain private, but does not include any information that may be evidence of the commission of any other offence; and
- (b) “harassment” means an act or behaviour which has the effect of threatening, alarming or distressing a person or violating a person’s dignity or creating an intimidating, degrading, hostile, humiliating or offensive environment or, which has all such effects.

*Illustrations-*

- (a) X and Y were formerly in a relationship which has since ended. X writes a post on a social media platform including Y’s photographs and personal mobile number, intending to cause harassment to Y by facilitating the identification or enabling others to contact Y. Y did not see the post, but receives and is harassed by telephone calls and short messages via short message service from strangers (who have read the post) propositioning Y for sex. X is guilty of an offence under this section in relation to such post.
- (b) X and Y were formerly in a relationship which has since ended. X posts a photograph of Y in the possession of X which Y could reasonably have expected to remain private. X is guilty of an offence under this section in relation to such post.

Child abuse & c.

**21.** (1) Any person, whether in or outside Sri Lanka, who, by way of an online account or through an online location commits or aids and abets an act upon a child, which constitutes an offence within the meaning of section 286A, 288, 288A, 288B, 308A, 360A, 360B, 360C, 363, 364A, 365, 365A or 365B of the Penal Code commits an offence and shall on conviction be liable to the punishment for each such offence as specified in the Schedule hereto:

Provided however, in the case of aiding and abetting to commit an offence under section 363 of the Penal Code in respect of a child, every reference to a “woman” in subsection (2) of section 364 of the Penal Code shall be read and construed as a reference to a “child” for the purpose of this section.

(2) Any person, whether in or outside Sri Lanka, who, by way of an online account or through an online location, publishes any photograph, audio or video of abusive or pornographic nature relating to a child, commits an offence and shall on conviction be liable to imprisonment for a term not less than two years and not exceeding twenty years or to a fine not exceeding one million rupees, or to both such imprisonment and fine.

(3) Where any person is convicted for an offence under subsection (1), such person shall, in addition to the penalty specified therein, be liable to pay such compensation as may be ordered by court, to the child or group of children in respect of whom such offence was committed.

Making or altering bots to commit an offence

**22.** Any person, whether in or outside Sri Lanka, who makes or alters a bot with the intention of communicating or enabling any other person to communicate, by means of a

bot, a statement which constitutes an offence under this Act, commits an offence and shall on conviction be liable to imprisonment for a term not exceeding five years or to a fine not exceeding five hundred thousand rupees, or to both such imprisonment and fine.

#### PART IV

##### MEASURES AGAINST ONLINE COMMUNICATION OF PROHIBITED STATEMENTS IN SRI LANKA

**23.** (1) A person aggrieved by the communication of a prohibited statement which is seen, heard or otherwise perceived by the users of internet based communication services (in this Act referred to as the “end users”) in Sri Lanka, by any other person, may either in writing or in electronic form, make a complaint providing information pertaining to such communication to the Commission.

Providing information to the Commission on communication of prohibited statement

(2) The Commission shall designate such number of information officers from among the staff of the Commission as the Commission may deem necessary, from time to time, to receive information in relation to communication of a prohibited statement for the purpose of subsection (1).

(3) (a) Every complaint shall set out all available details of the person or persons responsible for the making or communicating the prohibited statement, including, where available, details pertaining to the Universal Resource Locator (hereinafter referred to as the “URL”) or other identifying features of the location or number from which the prohibited statement was communicated or published, and such other details as may be prescribed.

(b) Where it is possible to do so, the complainant shall serve a copy of the complaint to the person or persons making or communicating the prohibited statement and any internet service provider or internet intermediary.

(c) In the event, the information necessary to give such notice as aforesaid is not available, the complainant shall specify the absence of such information in the complaint.

(4) A written acknowledgement of the receipt, including a receipt in electronic form, of such information shall be immediately issued by the information officer on behalf of the Commission.

(5) Where the Commission is of the opinion that sufficient material exists that a prohibited statement has been communicated, the Commission shall carry out investigations through the officers of the Commission. During such investigations, an opportunity to be heard shall be given to the person alleged to have communicated such prohibited statement.

(6) (a) If the Commission is satisfied, that sufficient material exists that a prohibited statement has been communicated, it may, taking into consideration the seriousness of the matter and the likelihood of damage or harm caused by such prohibited statement, issue notice to the person who communicated such prohibited statement, to take measures to prevent the circulation of such prohibited statement.

(b) A person to whom a notice has been issued under paragraph (a) shall comply with such notice immediately but not later than twenty four hours from such notice.

(c) Notice referred to in paragraph (a), shall be deemed to be served, where it is served by personal service, sent by post to the last known address of the person who communicated such prohibited statement, or served by electronic means to such person, or served by such other appropriate method adopted by the Commission depending on the nature of the case.

(d) Notice referred to in paragraph (a) shall be deemed to be served by electronic means where such notice is sent to such person's email address or social media account, or internet service provider or internet intermediary on whose online location such prohibited statement has been communicated.

(7) Where any person fails to comply with a notice issued under subsection (6) within twenty four hours of such notice, the Commission shall issue a notice to the internet service provider or internet intermediary on whose online location such prohibited statement has been communicated-

- (a) to disable access by the end users in Sri Lanka to such prohibited statement; or
- (b) to remove such prohibited statement from such online location,

as the case may be, for the period specified in such notice.

(8) The internet service provider or internet intermediary to whom a notice has been issued under subsection (7) shall comply with such notice within twenty four hours from the issuance of such notice.

(9) Where-

- (a) a person fails to act in accordance with the provisions of paragraph (b) of subsection (6); or
- (b) an internet service provider or internet intermediary fails to act in accordance with the provisions of subsection (8),

the Commission may apply to the Magistrate's Court by way of petition and affidavit to obtain an order directing such person or internet service provider or internet

intermediary, as the case may be, to comply with such provisions and the provisions of section 24, shall *mutatis mutandis*, apply in relation to such application.

Applying for a court order to prevent circulation of prohibited statements

**24.** (1) Any person affected by the communication of any prohibited statement may apply to the Magistrate's Court by way of petition and affidavit to obtain an order to prevent the circulation of such information.

(2) Upon considering such application, the Magistrate may issue a conditional order to such person or the internet service provider or internet intermediary on whose online location such prohibited statement has been communicated.

(3) The order made under subsection (2) may contain, *inter alia*-

(a) the name of the person who is required to stop communication of the prohibited statement with immediate effect; and

(b) any other order as the Magistrate deems fit.

(4) (a) The order made under subsection (2) shall be deemed to be served, where it is served by personal service, sent by post to the last known address of such person, or served by electronic means to such person, or by such other appropriate method ordered by the Magistrate depending on the nature of the case.

(b) The order made under subsection (2) shall be deemed to be served by electronic means where such order is sent to such person's email address or social media account, or internet service provider or internet intermediary on whose online location such prohibited statement has been communicated.



(5) The person against whom a conditional order is made under subsection (2) shall either comply with such order or appear before the Magistrate as specified in subsection (6) to show cause as to why the order shall not be made absolute.

(6) Where the person against whom a conditional order is made under subsection (2) intends to show cause, such person shall appear before the Magistrate making that order within a period of two weeks of making such order and move to have the order set aside or modified in the manner hereinafter provided.

(7) If the person against whom an order is made under subsection (2) neither complies with the order nor appears before the Magistrate under subsection (6), such person shall be liable to the penalty specified in subsection (9) and the order shall be made absolute.

(8) (a) Where such person appears before the Magistrate in terms of subsection (6), to show cause by way of petition and affidavit, the Magistrate shall hold an inquiry which shall be concluded within two weeks of the date of commencement of the inquiry.

(b) The Magistrate may, having regard to the facts stated by the person against whom the conditional order is made under subsection (2), either move to have the order set aside or modified, if the Magistrate is satisfied that the order made under this section is not reasonable and proper, and make an appropriate order subject to the provisions of this Act.

(c) If the Magistrate is not so satisfied, the order made under subsection (2) shall be made absolute.

(d) Where the order under subsection (2) is modified under paragraph (b), such order shall be made absolute.

(9) Where the person against whom any order is made under this section fails to comply with such order within the period and in the manner ordered by the Magistrate, such person commits an offence and shall on conviction be liable to imprisonment for a term not exceeding five years or to a fine not exceeding two million rupees and the Magistrate may order the Commission to take steps to -

- (a) disable access by end users in Sri Lanka to the online location containing such communication of the prohibited statement in Sri Lanka; or
- (b) remove the relevant communication of the prohibited statement in Sri Lanka from the online location containing such communication.

Disclosure of  
identity  
information

**25.** (1) Where any person is aggrieved by the communication of a prohibited statement and the information necessary to serve a copy of the complaint under subsection (3) of section 23 is not available, such person shall specify the absence of such information in the complaint made under subsection (1) of section 23.

(2) In the event of the receipt of a complaint referred to in subsection (1), the Commission shall make an application to the Magistrate's Court by way of petition and affidavit seeking a conditional order directing the internet intermediary on whose online location such prohibited statement was communicated, to disclose the information regarding the identity of the person who communicated the prohibited statement.

(3) The Magistrate may upon being satisfied that –

- (a) the statement was a prohibited statement;
- (b) the order is sought for the sole purpose of identifying the person who communicated such prohibited statement; and
- (c) the order is a proportionate and necessary response in all of the circumstances of the matter before the Court, taking into consideration whether the petitioner's right to disclosure of the information is outweighed by any countervailing right or interest of the person sought to be identified,

issue the order sought by the Commission.

(4) The order made under subsection (3) may contain, *inter alia*-

- (a) the name of the internet intermediary which is required to disclose the information sought; and
- (b) any other order as the Magistrate deems fit.

(5) (a) The order made under subsection (3) shall be deemed to be served, where it is served by personal service, sent by post to the last known address of the internet intermediary, or served by electronic means to such internet intermediary, or by such other appropriate method ordered by the Magistrate depending on the nature of the case.

(b) The order made under subsection (3) shall be deemed to be served by electronic means where such order is sent to the email address or social media account, of the internet intermediary on whose online location such prohibited statement has been communicated.

(6) The internet intermediary against whom a conditional order is made under subsection (3) shall either comply with such order or appear before the Magistrate as specified in subsection (7) to show cause as to why the order shall not be made absolute.

(7) Where the internet intermediary against whom a conditional order is made under subsection (3) intends to show cause, it shall appear before the Magistrate making that order within a period of two weeks of making such order and move to have the order set aside or modified in the manner hereinafter provided.

(8) If the internet intermediary against whom an order is made under subsection (3) neither complies with the order nor appears before the Magistrate under subsection (7), it shall be liable to the fine specified in subsection (10) and the order shall be made absolute.

(9) (a) Where such internet intermediary appears before the court in terms of subsection (7) to show cause by way of petition and affidavit, the Magistrate shall hold an inquiry which shall be concluded within two weeks of the date of commencement of the inquiry.

(b) The Magistrate may, having regard to the facts stated by the internet intermediary against whom the conditional order is made under subsection (3), either move to have the order set aside or modified, if the Magistrate is satisfied that the order under this section is not reasonable and proper, make an appropriate order subject to the provisions of this Act.

(c) If the Magistrate is not so satisfied, the order made under subsection (3) shall be made absolute.

(d) Where the order under subsection (3) is modified under paragraph (b), such order shall be made absolute.

(10) Where the internet intermediary against whom any order is made under this section fails to comply with such order within the period and in the manner ordered by the Magistrate, such person shall be liable to a fine not exceeding ten million rupees.

**26.** (1) Any person who is aggrieved by the communication of a prohibited statement may, by way of a civil action instituted in the District Court within the jurisdiction of which such aggrieved person resides, apply for an order directing the internet intermediary of the online location on which such prohibited statement communicated to disclose any information regarding the identity or the location of the person who used such online location to communicate such statement using the inauthentic online account or bot.

Aggrieved person to seek disclosure of identity information

(2) Upon the receipt of an application under subsection (1), the court may, if-

- (a) the prohibited statement was communicated by a person whose identity cannot be traced by the person who is aggrieved by such statement;
- (b) the internet intermediary against whom the order is sought was involved in the communication of such statement whether innocently or not;

- (c) the information sought is necessary for the aggrieved person to initiate legal proceedings to seek redress in relation to the damage or harm caused by the communication of such statement; and
- (d) the aggrieved person's right to get such information disclosed is outweighed by any countervailing right or interest of the person sought to be identified,

order an internet intermediary to disclose the information as requested by the aggrieved person.

Exemption from liability of internet service providers in certain cases

**27.** (1) Subject to the provisions of any other written law and the provisions of subsection (2), a person who engages in providing the following services shall have no liability in relation to the communication of a prohibited statement circulated through the online location owned, operated or controlled by such person, or for making available to the end users through such online location a communication link which contains any prohibited statement by any other party, which amounts to an offence under this Act or for any compensation payable for any wrongful loss caused to any person by such communication:-

- (a) an internet intermediary service;
- (b) a telecommunication service;
- (c) a service of giving public access to the internet;
- (d) a computing resource service;
- (e) an email service, if emails are the only user-generated content enabled by such service;
- (f) a short message service or multimedia messaging service -

- (i) if such short messages are the only user-generated content enabled by such service;
  - (ii) if such multimedia messages are the only user-generated content enabled by such service; or
  - (iii) if such short messages and multimedia messages are the only user-generated content enabled by such service; or
- (g) one-to-one live aural communication service, if such one-to-one live aural communications are the only user-generated content enabled by such service.

(2) Where-

- (a) a false statement, prohibited statement or material communicated on any service referred to in subsection (1) has been removed within six months from the date of coming in to operation of this Act; or
- (b) any material has been uploaded or interfered with by third parties,

the owner of an online account or the internet service provider shall have no liability in relation to the statement or the material referred to in paragraph (a) or (b).

(3) The exemption from liability granted under subsection (1) shall not apply, if such person –

- (a) has initiated the communication;
- (b) has selected the end user of the communication;
- (c) has selected or modified the content of the communication; or

(d) has not complied with the provisions of this Act, any regulation or rule made thereunder or any code of practice issued by the Commission by way of rules made under this Act, in providing such service.

(4) Any person who fails to adhere to the relevant code of practice issued by the Commission by way of rules made under this Act, and thereby causes wrongful loss to any other person, shall be liable to pay damages by way of compensation to the person who suffered such loss.

(5) For the purpose of this section-

“computing resource service” includes any internet service provided by a person to the public using any means except by the use of an internet intermediary service, a telecommunications service or a service of giving public access to the internet;

“telecommunication service” shall have the same meaning assigned to such term in the Sri Lanka Telecommunications Act, No. 25 of 1991.

## PART V

### DECLARED ONLINE LOCATIONS

Declared online locations

**28.** (1) The Commission may declare an online location as a “declared online location”, if-

(a) three or more different prohibited statements have been communicated to the end users in Sri Lanka on such online location in respect of which conditional orders were made absolute by the Magistrate under section 24; and



- (b) at least three of such statements had first been communicated to the end users in Sri Lanka on such online location within six months prior to the date of a declaration under this section is made.

(2) For the purposes of paragraph (a) of subsection (1), a statement is different from another if it is different in a material particular from that other statement.

(3) A declaration made under this section shall contain-

- (a) the URL, domain name, or any other unique identifier of the online location;
- (b) the relevant orders made by the Magistrate's Court;
- (c) the date on which the declaration comes into effect;
- (d) the date on which the declaration expires which must not be later than two years after the date referred to in paragraph (c);
- (e) a notice for the owner or operator of the online location whether in or outside Sri Lanka to communicate in such manner as may be specified in the declaration, to any end user in Sri Lanka who accesses the online location, a notice in such form as may be specified in such declaration, that the online location is the subject of a declaration; and
- (f) such other particulars as may be prescribed.

(4) A declaration made under this section may expire-

- (a) on the date specified therein, in accordance with paragraph (d) of subsection (3); or

- (b) on the date it is cancelled or set aside by the Commission,

whichever is earlier.

(5) As soon as possible after a declaration is made and before the date it comes into effect, the Commission shall publish, in such form and manner as may be prescribed, a notice in the *Gazette* -

- (a) stating that a declaration has been issued under this section; and
- (b) setting out the URL, domain name, or any other unique identifier of the online location, to which the declaration relates.

(6) (a) The declaration shall be deemed to be served, if the declaration is served by personal service, sent by post to the last known address of such owner or operator of the online location, or served by electronic means to such person, or by such other appropriate method adopted by the Commission, depending on the nature of the case.

(b) The declaration shall be deemed to be served by electronic means where such declaration is sent to the email address or social media account of the owner or operator of the online location through which such prohibited statement has been communicated.

(7) Where any owner or operator of a declared online location fails to comply with the notice to communicate a notice as referred to in paragraph (e) of subsection (3), the Commission or any person authorised by the Commission may apply to the Magistrate for an order directing owner or operator to-

- (a) disable access by the end users in Sri Lanka to such declared online location;
- (b) to communicate to all end users in Sri Lanka who access such declared online location, a notice declaring that the online location is the subject of a declaration; and
- (c) any other order as the Magistrate deems fit.

(8) Upon considering such application, the Magistrate may make a conditional order on the owner or operator of a declared online location containing the directions applied by the Commission under subsection (7).

(9) The order made under subsection (8) may contain, *inter alia*-

- (a) the name of the owner or operator of a declared online location who is required to disable access by the end users in Sri Lanka to the declared online location;
- (b) the manner of communicating the notice referred to in paragraph (e) of subsection (3); and
- (c) the period within which such notice shall be published after the service of the order.

(10) The order made under subsection (8) shall be deemed to be served on the owner or operator of a declared online location against whom the order is made, if the order is served by personal service, sent by registered post to the last known address of such person, or served by electronic means to such person, or by any other method deemed proper by the Magistrate depending on the nature of the case and in accordance with the provisions of this Act.

(11) The owner or operator of a declared online location against whom a conditional order is made under subsection (8) shall either comply with such order or appear before the Magistrate as specified in subsection (12) to show cause as to why the order shall not be made absolute.

(12) Where the owner or operator of a declared online location against whom a conditional order is made under subsection (8) intends to show cause, such person shall appear before the Magistrate making that order within a period of two weeks of making such order and move to have the order set aside or modified in the manner hereinafter provided:

Provided however, any owner or operator of a declared online location against whom a conditional order is made under subsection (8) shall be bound to comply with the order with effect from the date of making such order until such order is set aside or modified by the Magistrate in terms of the provisions of this section.

(13) If the owner or operator of a declared online location against whom an order is made under subsection (8) neither complies with the order nor appears before the Magistrate under subsection (12) such person shall be liable to the penalty specified in subsection (15) and the order shall be made absolute.

(14) (a) Where such owner or operator of a declared online location appears before the Magistrate in terms of subsection (12) to show cause by way of petition and affidavit, the Magistrate shall hold an inquiry which shall be concluded within two weeks of the date of commencement of the inquiry.

(b) The Magistrate may, having regard to the facts stated by the owner or operator of a declared online location against whom the conditional order is made under subsection (8), either move to have the order set aside or modified, if the Magistrate is satisfied that the order under this section is not reasonable and proper, and make an appropriate order, subject to the provisions of this Act.

(c) If the Magistrate is not so satisfied, the order made under subsection (8) shall be made absolute.

(d) Where the order under subsection (8) is modified under paragraph (b), such order shall be made absolute.

(15) Where the owner or operator of a declared online location against whom the order is made under this section fails to comply with such order within the period and in the manner ordered by the Magistrate's Court, such owner or operator of a declared online location commits an offence and shall on conviction be liable to imprisonment for a term not exceeding six years or to a fine not exceeding ten million rupees and Magistrate's Court may make an order directing the Commission to take steps to disable access by the end users in Sri Lanka to the declared online location.

(16) The Commission may at any time suspend, vary or cancel a declaration made under subsection (1) for such period as the Commission may determine-

(a) on its own initiative; or

(b) on an application by-

(i) the owner or operator of the declared online location; or

(ii) any person with editorial control over the online location.

(17) For the purpose of subsection (16), a person has “editorial control over an online location” if the person is able to decide-

- (a) whether any statement may be included or excluded on the online location; or
- (b) where to place any statement on the online location.

(18) Upon a declaration being suspended, varied or cancelled under subsection (16), the Commission shall-

- (a) publish, in such form and manner as may be prescribed, a notice of the suspension, variation or cancellation in the *Gazette*; and
- (b) make reasonable efforts to give a copy of such notice to the owner or operator of the declared online location.

Certain persons not to communicate in Sri Lanka, paid content on declared online locations, & c.

**29.** (1) An internet service provider must take reasonable steps (both in and outside Sri Lanka) to ensure that, after a prescribed period commencing on the date a declaration made under section 28 comes into effect, any paid content that it includes or causes to be included on a declared online location, is not communicated in Sri Lanka on the declared online location.

(2) An internet intermediary must take reasonable steps (both in and outside Sri Lanka) to ensure that, after a prescribed period commencing on the date a declaration made under section 28 comes into effect, any paid content that it includes or causes to be included on a declared online location is not communicated in Sri Lanka on the declared online location.

(3) An internet intermediary must take reasonable steps (both in and outside Sri Lanka) to ensure that, after a prescribed period commencing on the date on the declaration made under section 28 comes into effect, it does not, when acting as an internet intermediary, facilitate the communication in Sri Lanka of any paid content that gives publicity to, or otherwise promotes, a declared online location.

(4) An internet service provider or internet intermediary shall be treated for the purposes of subsection (1) or (2), as the case may be, as having taken reasonable steps to ensure that any paid content that it includes or causes to be included on a declared online location is not communicated in Sri Lanka on the declared online location, if it has taken such steps as may be prescribed.

(5) An internet intermediary is treated for the purposes of subsection (3), as having taken reasonable steps to ensure that it does not facilitate the communication in Sri Lanka of any paid content mentioned in that subsection if it has taken such steps as may be prescribed.

(6) A person who fails to comply with the provisions of subsection (1), (2) or (3) commits an offence and shall on conviction be liable to imprisonment for a term not exceeding seven years or to a fine not exceeding ten million rupees and in the event of a second or subsequent conviction, such term of imprisonment or fine or both such imprisonment and fine may be doubled.

**30.** (1) Any person, whether in or outside Sri Lanka, who solicits, receives or agrees to receive any financial or other material benefit as an inducement or reward for operating a declared online location commits an offence and shall on conviction be liable to imprisonment for a term not exceeding five years or to a fine not exceeding five million rupees and in the event of a second or subsequent conviction, such term of imprisonment or fine or both such imprisonment and fine may be doubled.

Prohibition on deriving benefits from operating a declared online location

(2) Where a court convicts any person of an offence under this section, the court shall order, in addition to imposing on that person the punishment in subsection (1), the forfeiture of any assets acquired through the commission of an offence under this section.

Prohibition on providing financial support to declared online locations

**31.** (1) A person, whether in or outside Sri Lanka, who expends or applies any property knowing or having reason to believe that the expenditure or application supports, helps or promotes the communication of prohibited statements to the end users in Sri Lanka on a declared online location commits an offence and shall on conviction be liable to imprisonment for a term not exceeding five years or to a fine not exceeding five million rupees and in the event of a second or subsequent conviction, such term of imprisonment or fine or both such imprisonment and fine may be doubled.

(2) The provisions of subsection (1) shall not apply to an internet service provider or an internet intermediary which gives any consideration for the purpose of communicating any paid content in Sri Lanka on the declared online location.

(3) Where a court convicts any person of an offence under this section, the court shall order, in addition to imposing on that person the punishment in subsection (1), the forfeiture of any property acquired through expending or applying any property by the commission of an offence under this section.

(4) For the purpose of this section, “property” means money and all other property, movable or immovable, including things in action and other intangible or incorporeal property.



PART VI

COUNTERACTING INAUTHENTIC ONLINE ACCOUNTS AND  
COORDINATED INAUTHENTIC BEHAVIOUR

**32.** (1) If the conditions in subsection (2) are satisfied, the Commission may issue a notice in writing to an internet intermediary, requiring it to do one or both of the following, for the period specified in such notice: -

Counteracting  
inauthentic  
online accounts  
and coordinated  
inauthentic  
behaviour

- (a) to refrain from permitting its services from being used to communicate any prohibited statement in Sri Lanka through one or more specified online accounts; or
- (b) to refrain from permitting any person from using one or more specified online accounts to interact with any end user of its internet intermediary service in Sri Lanka.

(2) The conditions referred to in subsection (1) shall be, as follows:-

- (a) such online account or accounts shall have been created with the internet intermediary in respect of which the notice under subsection (1) is issued;
- (b) either a prohibited statement has been communicated in Sri Lanka using the specified online account or coordinated inauthentic behaviour has been carried out in Sri Lanka using the specified online account; and
- (c) the Commission has determined that the online account is an inauthentic online account or is controlled by a bot.

(3) The notice shall be deemed to be served on the internet intermediary, if it is served by personal service, sent by post to the last known address of such internet intermediary, or served by electronic means to such person, or by any other method deemed proper by the Commission depending on the nature of the case.

(4) Where a notice issued under subsection (1) has not been complied with, the Commission shall submit an application to the Magistrate's Court. Upon considering such application the Magistrate may issue a conditional order on the internet intermediary containing the directions applied for by the Commission under subsection (1).

(5) An Order made under subsection (4) shall specify that it has effect-

(a) indefinitely; or

(b) for a specified period not exceeding three months.

(6) The order made under subsection (4) shall be deemed to be served on the internet intermediary against whom the order is made, if the order is served by personal service, sent by registered post to the last known address of such person, or served by electronic means to such person, or by any other method deemed proper by the Magistrate depending on the nature of the case and in accordance with the provisions of this Act.

(7) The internet intermediary against whom a conditional order is made under subsection (4) shall either comply with such order or appear before the Magistrate as specified in subsection (8) to show cause as to why the order shall not be made absolute.

(8) Where the internet intermediary against whom a conditional order is made under subsection (4) intends to show cause, it shall appear before the Magistrate making that order, within a period of two weeks of making such order and move to have the order set aside or modified in the manner hereinafter provided:

Provided however, any internet intermediary against whom a conditional order is made under subsection (4) shall be bound to comply with the order with effect from the date of making such order until such order is set aside or modified by the Magistrate in terms of the provisions of this section.

(9) If the internet intermediary against whom an order is made under subsection (4) neither complies with the order nor appears before the Magistrate under subsection (8) he shall be liable to the penalty specified in subsection (11) and the order shall be made absolute.

(10) (a) Where such internet intermediary appears before the Magistrate in terms of subsection (8) to show cause by way of petition and affidavit, the Magistrate shall hold an inquiry which shall be concluded within two weeks of the date of commencement of the inquiry.

(b) The Magistrate may having regard to the facts stated by the internet intermediary against whom the conditional order is made under subsection (4), either move to have the order set aside or modified, if the Magistrate is satisfied that the order under this section is not reasonable and proper, make an appropriate order subject to the provisions of this Act.

(c) If the Magistrate is not so satisfied, the order made under subsection (4) shall be made absolute.

(d) Where the order under subsection (4) is modified under paragraph (b), such order shall be made absolute.

(11) Where the internet intermediary against whom the order is made under this section fails to comply with such order within the period and in the manner ordered by the Magistrate, such person commits an offence and shall on conviction be liable to imprisonment for a term not exceeding seven years or to a fine not exceeding ten million rupees, and the Magistrate may make an order directing the Commission to take steps to enforce such order by preventing access to the prohibited statement within Sri Lanka, notwithstanding anything contrary in any other law.

## PART VII

### APPOINTMENT OF EXPERTS TO ASSIST INVESTIGATIONS AND THEIR POWERS

Appointment of  
experts to assist  
investigations

**33.** (1) The Minister may, in consultation with the Minister assigned the subject of Justice, appoint, by Order published in the *Gazette*, any public officer or an employee of a Government department, public corporation or a Government company, having the required qualification and experience in electronic engineering or software technology (hereinafter referred to as an “expert”) to assist the Commission in the investigation of an offence under this Act.

(2) For the purposes of this section-

“expert” includes-

- (a) any member of the staff of any university who possesses the prescribed qualification and, who is nominated by the Vice-Chancellor of the relevant university;

- (b) any public institution which in the opinion of the relevant university possesses the prescribed qualification and is nominated by the Vice-Chancellor of such university:

Provided that where an “expert” cannot be identified in terms of paragraph (a) or (b) above the Minister may, in consultation with the Vice-Chancellor of the relevant university appoint any other institution which satisfies the prescribed qualification;

“Government company” means a company registered or deemed to be registered under the Companies Act, No. 07 of 2007 in which the Government or a public corporation or local authority holds fifty *per centum* or more of the shares of that company;

“university” means any university established under the Universities Act, No. 16 of 1978.

(3) The qualification and experience (having regard to the specific areas of expertise) required to be fulfilled by an officer appointed under subsection (1) and the manner and mode of appointment and the conditions of appointment of such officer shall be as prescribed.

(4) For the purpose of an investigation under this Act, an expert called upon to assist the Commission shall, have the power to-

- (a) enter upon any premises along with a police officer not below the rank of a sub-inspector;

- (b) access any information system, computer or computer system or any programme, data or information held in such computer to perform any function or to do any such other thing;
- (c) require any person to disclose any traffic data;
- (d) orally examine any person; and
- (e) do such other things as may be reasonably required, for the purposes of this Act.

(5) An expert shall be paid such remuneration as may be determined by the Minister in consultation with the Minister assigned the subject of Finance.

(6) An expert may be called upon to assist the Commission or any police officer in the investigation of an offence under this Act and it shall be duty of the expert to render all such assistance as may be required for the purposes of such investigation. Where any proceedings have been commenced consequent to the findings of an investigation, it shall be the duty of the expert to make available for the purposes of such proceedings, any information, data, material or other matter that may be obtained by him in the course of such investigation.

Duty to assist investigations

**34.** Any person who is required by an expert, under the authority of a police officer, to make any disclosure or to assist in an investigation in respect of an offence under this Act shall comply with such requirement.

Powers of search and seizure with warrant

**35.** (1) An expert who assists a police officer, for an investigation in respect of an offence under this Act, under the authority of a warrant issued in that behalf by a Magistrate, on application made for such purpose by the police officer, may -

- (a) obtain any information including subscriber information and traffic data in the possession of any internet service provider; or
- (b) intercept any wire or electronic communication including subscriber information and traffic data, at any stage of such communication.

(2) The Minister may, by regulations prescribe the manner in which, and the procedures required to be followed in respect of, the retention and interception of data and information including traffic data, for the purposes of any investigation in respect of an offence under this Act.

## PART VIII

### FINANCE

**36.** (1) The Commission shall have its own Fund.

Fund of the  
Commission

(2) There shall be credited to the Fund of the Commission all such sums of money as may be voted from time to time by Parliament for the use of the Commission.

(3) All sums of money required to defray expenditure incurred by the Commission in the exercise and performance of its duties and functions under this Act, shall be paid out of the Fund of the Commission, and such other expenditure to be charged on the Fund in terms of this Act.

(4) The Commission shall cause proper accounts to be kept of the receipts and expenditure, assets and liabilities and all other transactions of the Commission.

(5) The financial year of the Commission shall be the calendar year.

Audit of  
accounts

**37.** The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to and in relation to the audit of the accounts of the Fund of the Commission.

## PART IX

### GENERAL

Provisions of the  
Code of  
Criminal  
Procedure Act to  
apply

**38.** (1) Save as expressly provided in this Act, the provisions of the Code of Criminal Procedure Act, No. 15 of 1979, shall, *mutatis mutandis*, apply to investigations, institution of proceedings, the trial of offences and to appeals from judgments, sentences and orders pronounced at any such trial under this Act.

(2) Where the Commission, on consideration of material collected in the course of investigations conducted under this Act, is satisfied that any person has committed an offence under the provisions of this Act, it may take steps to institute criminal proceedings in terms of section 136 of the Code of Criminal Procedure Act, No. 15 of 1979.

Jurisdiction

**39.** (1) The jurisdiction to hear, try and determine all offences under this Act shall be vested with the Magistrate's Court.

(2) Notwithstanding anything contained in subsection (1), where there are aggravating circumstances or circumstances that give rise to public disquiet in connection with the commission of an offence, it shall be lawful for the Attorney-General to forward indictment directly to the High Court.



- 40.** Any person who attempts to commit an offence under this Act or to cause such an offence to be committed, commits an offence and shall on conviction be liable to imprisonment of either description for a term not exceeding one half of the maximum term provided for each of such offences or to a fine not exceeding one half of the maximum fine provided for each of such offences or to both such imprisonment and fine.
- Attempt to commit an offence
- 41.** A person who abets an offence under this Act commits an offence and shall be tried in the same manner, and shall on conviction be liable to the same punishment, provided for in this Act for the first-mentioned offence. In this subsection the expression “abet” shall have the same meaning as in sections 100 and 101 of the Penal Code.
- Abetment of an offence
- 42.** A person who conspires with any other person to commit an offence under this Act commits an offence and shall be tried in the same manner and shall on conviction be liable to the same punishment provided for in this Act for the first-mentioned offence. In this section, the expression “conspire” shall have the same meaning as in section 113A of the Penal Code.
- Conspiring to commit an offence
- 43.** Every offence under this Act shall be –
- Offences under this Act to be non-cognizable and bailable
- (a) a non-cognizable offence within the meaning of and for the purposes of the Code of Criminal Procedure Act, No. 15 of 1979; and
- (b) a bailable offence within the meaning of the Bail Act, No. 30 of 1997.
- 44.** Where an offence under this Act is committed by a body of persons, then, if that body of persons is-
- Offences by body of persons

- (a) a body corporate, every director, or other principal officer of that body corporate;
- (b) a firm, every partner of that firm; and
- (c) an unincorporated body, every individual who is a controlling member of such body and every principal officer of that body responsible for its management and control,

commits an offence:

Provided however, that no such person shall be deemed to have committed an offence if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of the offence.

Protection from  
action

**45.** (1) A suit or prosecution shall not lie against-

- (a) the Commission for any act which in good faith is done or omitted to be done, by the Commission under this Act; or
- (b) any member, staff of the Commission or an expert appointed under section 33 for any act which in good faith is done or omitted to be done, by such person under this Act or any other Act.

(2) Any expenses incurred by the Commission in any suit or prosecution brought by, or against, the Commission before any court, shall be paid out of the Fund of the Commission and any costs paid to, or recovered by, the Commission in any such suit or prosecution, shall be credited to the Fund of the Commission.

(3) Any expenses incurred by any member, staff of the Commission or an expert assisting the Commission, in any suit or prosecution brought against such person in any court in respect of any act which is done, or purported to be done, by such person under this Act or on the direction of the Commission shall, if the court holds that the act was done in good faith, be paid out of the Fund of the Commission, unless such expense is recovered by such person in such suit or prosecution.

**46.** (1) The Commission shall within three months of the end of each financial year, prepare a report of its activities during that year and its proposed activities in the following year, and shall transmit a copy of such report together with a copy of the audited accounts of the Commission for that year, to the Minister.

Annual reports  
of the  
Commission

(2) The Minister on receipt of a report prepared under subsection (1)-

- (a) shall cause a copy of such report to be placed before Parliament;
- (b) may require the members of the Commission to clarify any matter arising from such report to Parliament or a Committee of Parliament; and
- (c) may require the Commission to publish such report and accounts in such manner as the Commission considers appropriate to bring them to the attention of the public.

(3) Without prejudice to the generality of subsection (1), every annual report shall contain-

- (a) a general survey of developments during the year to which the report relates in respect of matters falling within the scope of the Commission's function and in particular, ensuring online safety; and

- (b) details of the measures taken by the Commission to ensure online safety during that year.

Members and staff of the Commission deemed to be public servants

**47.** All members and staff of the Commission shall be deemed to be public servants within the meaning and for the purposes of the Penal Code.

Commission deemed to be a scheduled institution for the purpose of the Anti-Corruption Act

**48.** The Commission shall be deemed to be a scheduled institution within the meaning of the Anti-Corruption Act, No. 9 of 2023, and the provisions of that Act shall be construed accordingly.

Commission to make rules

**49.** (1) The Commission shall make rules for the purpose of the following matters:-

- (a) to issue the codes of practice applicable for internet service providers and internet intermediaries who provide internet based communication services, specifying security practices and procedures required to be followed by them; and
- (b) to specify the manner in which the websites providing social media platforms to the end users in Sri Lanka shall be registered under this Act.

(2) The Commission shall make the first rules under subsection (1), within twenty four months from the date of commencement of this Act.

(3) The Commission shall, prior to making rules under subsection (1), hold public consultations for a period of not less than two weeks.

(4) The period of public consultation referred to in subsection (3) may be extended for a further period as may be specified by the Commission.

(5) Every rule made under subsection (1) shall be published in the *Gazette* and shall come into operation on the date of publication or on such later date as may be specified therein.

(6) Every rule made under subsection (1) shall, within three months from the date of its publication in the *Gazette*, be placed before Parliament for approval and any rule, which is not so approved, shall be deemed to be rescinded with effect from the date of such disapproval, but without prejudice to anything previously done thereunder.

**50.** (1) The Minister may make regulations in respect of all matters which are required by this Act to be prescribed or in respect of which regulations are required or authorized to be made under this Act.

Regulations

(2) Every regulation made under subsection (1) shall be published in the *Gazette* and shall come into operation on the date of publication or on such later date as may be specified therein.

(3) Every regulation made under subsection (1) shall, within three months from the date of its publication in the *Gazette*, be placed before Parliament for approval. Every regulation which is not so approved shall be deemed to be rescinded as from the date of disapproval, but without prejudice to anything previously done thereunder.

(4) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

**51.** In the event of any inconsistency or conflict between the provisions of this Act and any other written law, the provisions of this Act shall prevail.

This Act to prevail over other written law

## Interpretation

**52.** (1) In this Act unless the context otherwise requires—

“bot” means a computer program made or altered for the purpose of running automated tasks;

“Chairman” includes the Deputy Chairman appointed under subsection (6) of section 8;

“child” means a person under the age of eighteen years;

“coordinated inauthentic behaviour” means any coordinated activity carried out using two or more online accounts, in order to mislead the end users in Sri Lanka of any internet intermediary service as to any matter, but excludes any activity carried out using online accounts-

(a) that are controlled by the same person; and

(b) none of which is an inauthentic online account or is controlled by a bot;

“communicate” means communicating to one or more end users in Sri Lanka on or through the internet, a false statement or private information and includes transmitting, distributing, sharing, generating, propagating, publishing or tagging and the term “communication” shall be construed accordingly;

“computer” means an electronic or similar device having information processing capabilities;

“computer system” means a computer or group of interconnected computers, including the internet;

“declared online location” means an online location declared under section 28;

“false statement” means a statement that is known or believed by its maker to be incorrect or untrue and is made especially with intent to deceive or mislead but does not include a caution, an opinion or imputation made in good faith;

“inauthentic online account” means an online account that is controlled by a person other than the person represented (whether by its user, unique identifier or other information) as its holder, and the representation is made for the purpose of misleading the end users in Sri Lanka of any internet intermediary service as to the holder’s identity;

“internet service provider” means an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user’s choosing, without modification to the content of the material as sent or received, including those offering telecommunication services under the Telecommunications Act, No. 25 of 1991;

“internet intermediary” means a person who provides any internet intermediary service;

“internet intermediary service” means-

- (a) a service that allows end users to access materials originating from third parties on or through the internet;
- (b) a service of transmitting such materials to end users on or through the internet;

- (c) a service of displaying, to an end user who uses the service to make an online search, an index of search results, each of which links that end user to content hosted or stored at a location which is separate from the location of the index of search results; or
- (d) a service which facilitates the communication of paid content in any place by acting as the link or part of the link between the owners or operators of online locations and advertisers and internet service providers, through the means of an internet based service,

but excludes any act done for the purpose of, or that is incidental to, the provision of a service of giving the public access to the internet or a computing resource service;

“material” means anything that consists of or contains a statement;

“Minister” means the Minister to whom the function of administering the provisions of this Act is assigned in terms of Article 44 or 45 of the Constitution;

“online account” means an account created with an internet intermediary for the use of an internet intermediary service;

“online location” means any website, webpage, chatroom or forum, or any other thing that is hosted on a computer and can be seen, heard or otherwise perceived by means of the internet;

“paid content” means any statement that is communicated in any place upon payment of a consideration;

“Penal Code” means the Penal Code (Chapter 19);



“person” means a natural or legal person;

“prescribe” means prescribe by regulations;

“prohibited statement” means a statement specified in section 12, 13, 14, 15, 16, 17, 19 or 20;

“publish” means making available to the public on or through the internet;

“social media platform” means a service provided by an internet intermediary-

(a) solely for the purpose of enabling online social interaction between two or more end users in Sri Lanka;

(b) which allows end users in Sri Lanka to link to some or all of the other end users; or

(c) which allows the end users in Sri Lanka to post material on the service,

but does not include any such service of which any information communicated through the service is not accessible by the end users in Sri Lanka;

“statement” means any word including abbreviation and initial, number, image (moving or otherwise), sound, symbol or other representation, or a combination of any of these.

(2) Any word or expression used in this Act and defined in the Penal Code but not defined in this Act shall have the same meaning assigned to such word or expression in the Penal Code.

**53.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

## SCHEDULE

(section 21(1))

<b>Section of the Penal Code</b>	<b>Offence under the Penal Code</b>	<b>Punishment</b>
286A	Obscene publication & c. relating to Children	Imprisonment of either description for a term not less than two years and not exceeding ten years and may also be punished with fine
288	Causing or procuring children to beg	Imprisonment of either description for a term not exceeding five years and may also be liable to a fine
288A	Hiring or employing children to act as procurers for sexual intercourse	Imprisonment of either description for a term not less than two years and not exceeding five years and may also be liable to a fine
288B	Hiring or employing children to traffic in restricted articles	Imprisonment of either description for a term not less than five years and not exceeding seven years and may also be liable to a fine
308A	Cruelty to children	Imprisonment of either description for a term not less than two years and not exceeding ten years and may also be punished with fine and be ordered to pay compensation of an amount determined by court to the person in respect of whom the offence was committed for the injuries caused to such person

<b>Section of the Penal Code</b>	<b>Offence under the Penal Code</b>	<b>Punishment</b>
360A	Procuration	Imprisonment of either description for a term not less than two years and not exceeding ten years and may also be punished with fine
360B	Sexual exploitation of children	Imprisonment of either description for a term not less than five years and not exceeding twenty years and may also be punished with fine
360c	Trafficking	Imprisonment of either description for a term not less than three years and not exceeding twenty years and may also be punished with fine
363	Rape	Rigorous imprisonment for a term not less than seven years and not exceeding twenty years and fine and shall in addition be ordered to pay compensation of an amount determined by court to the person in respect of whom the offence was committed for the injuries caused to such person and further term of imprisonment which may extend up to two years in case of failure to pay compensation

Section of the Penal Code	Offence under the Penal Code	Punishment
	<p>Rape</p> <p>(a) by a public officer on a woman in his custody</p> <p>(b) by a person being on the management or staff of a remand home, women's or children's institution &amp; c. on any woman inmate</p> <p>(c) by a person being on the management or staff of a hospital on a woman in that hospital</p> <p>(d) on a pregnant woman</p> <p>(e) on a woman under eighteen years</p> <p>(f) on a mentally or physically disabled woman</p> <p>(g) by a gang of persons</p>	<p>Rigorous imprisonment for a term not less than ten years and not exceeding twenty years and fine and shall in addition be ordered to pay compensation of an amount determined by court to the person in respect of whom the offence was committed for the injuries caused to such person and further term of imprisonment which may extend up to two years in case of failure to pay compensation</p>
	<p>Rape on a woman under sixteen years of age and where such woman stands</p>	<p>Rigorous imprisonment for a term not less than fifteen years and not exceeding twenty years and fine</p>

<b>Section of the Penal Code</b>	<b>Offence under the Penal Code</b>	<b>Punishment</b>
	towards the man in any of the degrees of relationship enumerated in section 364A	
364A	Incest	Rigorous imprisonment for a term not less than seven years and not exceeding twenty years and fine
365	Unnatural offence	Rigorous imprisonment for a term not less than ten years and not exceeding twenty years and fine and shall be ordered to pay compensation of an amount determined by court to the person in respect of whom the offence was committed for the injuries caused to such person
365A	Acts of gross indecency between persons	Rigorous imprisonment for a term not less than ten years and not exceeding twenty years and fine and shall also be ordered to pay compensation of an amount determined by court to the person in respect of whom the offence was committed for the injuries caused to such person

<b>Section of the Penal Code</b>	<b>Offence under the Penal Code</b>	<b>Punishment</b>
365B	Grave sexual abuse	Rigorous imprisonment for a term not less than seven years and not exceeding twenty years and fine and shall also be ordered to pay compensation of an amount determined by court to the person in respect of whom the offence was committed for the injuries caused to such person.

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**NATIONAL HYDROGRAPHIC  
ACT, No. 7 OF 2024**

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**[Certified on 01st of February, 2024]**

*Printed on the Order of Government*

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*National Hydrographic Act, No. 7 of 2024*

[Certified on 01st of February, 2024]

L.D. – O. 36/2023

AN ACT TO MAKE PROVISIONS FOR GIVING EFFECT TO CERTAIN SPECIFIC OBLIGATIONS OF SRI LANKA UNDER THE INTERNATIONAL CONVENTION FOR THE SAFETY OF LIFE AT SEA 1974; FOR THE ESTABLISHMENT OF THE NATIONAL HYDROGRAPHIC OFFICE; FOR THE REGISTRATION OF HYDROGRAPHIC SURVEYORS AND NAUTICAL CARTOGRAPERS; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO .

WHEREAS an International Convention for the Safety of Life at Sea, 1974 was adopted by the International Conference on Safety of Life at Sea on November 1, 1974 and entered into force on May 25, 1980 (in this Act referred to as the “Convention”):

Preamble

AND WHEREAS the Government of Sri Lanka acceded to the International Convention for the Safety of Life at Sea, 1974 on August 30, 1983:

AND WHEREAS although the Merchant Shipping Act, No. 52 of 1971 as amended by Act, No. 17 of 2019 has already given effect to the International Convention for the Safety of Life at Sea, 1974, it is necessary to make specific legal provisions to give effect to Sri Lanka’s obligations in relation to Regulations 4 and 9 of Chapter V of the aforesaid Convention:

NOW THEREFORE, be it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

1. (1) This Act may be cited as the National Hydrographic Act, No. 7 of 2024.

Short title and date of operation

(2) The provisions of this Act other than this section shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

## PART I

## ESTABLISHMENT OF THE NATIONAL HYDROGRAPHIC OFFICE

Establishment  
of the  
National  
Hydrographic  
Office

**2.** (1) There shall be established an Office which shall be called and known as the National Hydrographic Office (hereinafter referred to as the “Office”).

(2) The Office shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in such name.

Objects of  
the Office

**3.** The objects of the Office shall be –

- (a) to be responsible for the provision of hydrographic services required by the Convention;
- (b) to produce and maintain accurate nautical charts for the safe navigation of ships and to provide information about water depths, underwater features, coastlines, hazards and aids to navigation;
- (c) to collect data for updating and improving nautical charts and ensure maritime safety;
- (d) to establish and maintain aids to navigation and to help mariners to determine their positions and navigate safely, especially in challenging conditions; and
- (e) to improve hydrographic survey techniques, data processing methods and technologies used in the field.

4. The powers, duties and functions of the Office shall be –

Powers,  
duties and  
functions  
of the  
Office

- (a) to collect, preserve, regulate and compile marine geospatial data for the purpose of preparation, distribution, sale and updating of all types of navigational charts, publications and hydrographic services;
- (b) to publish all types of navigational charts required for the safe navigation in the maritime zones of Sri Lanka;
- (c) to carry out hydrographic surveying of maritime zones of Sri Lanka;
- (d) to keep all maritime data which may have an impact on confidentiality and safety of national and regional security:

Provided that, the Office shall obtain the concurrence of the Secretary to the Ministry of the Minister assigned the subject of Defence before publishing or disseminating any such data which may in its opinion have a bearing on the national security;

- (e) to ensure the safety of international shipping –
  - (i) to carry out adequate surveying in accordance with international hydrographic standards and specifications adopted by Sri Lanka;
  - (ii) to publish such specifications by way of notifications published in the *Gazette*;

- (iii) to prepare and issue nautical charts and nautical publications which include routes, lighthouses, obelisks, identification of all types of buoys and beacons and all information of tidal data in accordance with accepted international standards;
- (iv) to prepare and issue notices to mariners containing information on maritime accidents and to assist in the rescue of any person who has encountered with such accident; and
- (v) to issue instructions regarding the updated printed and electronic nautical charts and publications;
- (f) to maintain nautical charts and publications in accordance with international conventions and standards;
- (g) to provide accurate and reliable hydrographic and navigational information related to the maritime zones of Sri Lanka;
- (h) to conduct training on hydrographic surveying and nautical cartography in accordance with international conventions and standards;
- (i) to monitor, record and prepare reports on tides in the coastal zone and to publish the same in order to ensure safety and other navigational requirements in the maritime zones of Sri Lanka;

- (j) to collect, regulate, issue, preserve and maintain all hydrographic survey data, marine data and hydrosatial data as may be prescribed;
- (k) to provide necessary assistance subject to the relevant written laws to any agency, institution or organization engaged in following activities: -
  - (i) coastal management and development;
  - (ii) conducting feasibility studies and assessments, dredging operations, maintenance and development of port facilities;
  - (iii) coastal erosion monitoring and controlling;
  - (iv) land reclamation from sea and the establishment of disposal sites at sea for industrial wastes and the monitoring of the same;
  - (v) conducting research and develop aquatic resources;
  - (vi) implementing any project in cargo and passenger transport in coastal waters;
  - (vii) implementing infrastructure construction, development and any other project in coastal waters;
  - (viii) promoting tourism and recreational activities in coastal zones; or

- (ix) engaging in marine pollution prevention and disaster management;
- (l) to assist and provide advice in respect of maritime boundary demarcation in the waters of Sri Lanka;
- (m) to provide necessary consultancy and other assistance for the development activities including laying of pipelines, undersea cable systems and establishment of mineral extraction wells and to preserve data and information regarding such activities;
- (n) to coordinate with other educational institutions engaged in the hydrographic and marine geospatial information in the waters of Sri Lanka to maintain prescribed educational standards;
- (o) to coordinate with other institutions within or outside Sri Lanka to maintain high professional standards in hydrography;
- (p) to conduct higher educational training related to hydrographic surveying and nautical cartography and to obtain necessary technical and professional training with the assistance of foreign institutions having expertise in the relevant fields;
- (q) to assist relevant authorities to enhance safety in navigation in the waters of Sri Lanka and to provide necessary assistance to those authorities to manage economic activities in the waters of Sri Lanka;

- (r) to receive grants, gifts or donations in cash or kind:

Provided however, the Office shall obtain the prior written approval of the Department of External Resources of the Ministry of the Minister assigned the subject of Finance, in respect of all foreign grants, gifts or donations made to the Office;

- (s) to open, maintain and operate any account with any bank as it may think appropriate;
- (t) to manage, control, administer and operate the Fund of the Office;
- (u) to invest such amount of money belonging to the Office as is not immediately required for the purposes of this Act;
- (v) to purchase, hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property;
- (w) to enter into and perform either directly or indirectly through any authorized officer or agent of the Office, all such contracts or agreements as may be necessary, for the exercise, performance and discharge of its powers, duties and functions;
- (x) to make rules in respect of the administration of the affairs of the Office;
- (y) to levy fees or charges for any service rendered by the Office;

- (z) to appoint, employ, remunerate, exercise disciplinary control or dismiss such officers, employees and agents as may be necessary for the carrying out of the objects of the Office;
- (aa) to provide training to officers and employees of the Office within or outside Sri Lanka;
- (bb) to appoint committees for the effective discharge of its functions; and
- (cc) to do all such other acts and things which may be incidental or conducive to the attainment of the objects of this Act.

## PART II

### ADMINISTRATION AND MANAGEMENT OF THE AFFAIRS OF THE OFFICE

Administration and management of the Office vested in the Council

**5.** (1) The administration and management of the affairs of the Office shall be vested in the National Hydrographic Council (in this Act referred to as the “Council”).

(2) The Council shall, for the purpose of administering and managing the affairs of the Office in a manner expedient for the achievement of the objects of this Act, exercise, perform and discharge the powers, duties and functions conferred on, assigned to, or imposed on the Office by this Act.

Constitution of the Council

**6.** (1) The Council shall consist of –

(a) the following *ex-officio* members, namely -

- (i) Secretary to the Ministry of the Minister assigned the subject of Defence or his



representative not below the rank of an Additional Secretary;

- (ii) Secretary to the Ministry of the Minister assigned the subject of Finance or his representative not below the rank of an Additional Secretary;
- (iii) Secretary to the Ministry of the Minister assigned the subject of fisheries or his representative not below the rank of an Additional Secretary;
- (iv) Secretary to the Ministry of the Minister assigned the subject of Foreign Affairs or his representative not below the rank of an Additional Secretary;
- (v) Commander of the Sri Lanka Navy appointed in terms of the Navy Act (Chapter 358);
- (vi) Chairman of the Governing Board of the National Aquatic Resources Research and Development Agency appointed under the National Aquatic Resources Research and Development Agency Act, No. 54 of 1981;
- (vii) the Surveyor-General;
- (viii) Director-General of Merchant Shipping appointed under the Merchant Shipping Act, No.52 of 1971;

*National Hydrographic Act, No. 7 of 2024*

- (ix) Harbour Master appointed under the Sri Lanka Ports Authority Act, No. 51 of 1979;
  - (x) Director-General of the Department of Coast Guard appointed under the Department of Coast Guard Act, No. 41 of 2009;
  - (xi) Chairman of the University Grants Commission appointed under the Universities Act, No. 16 of 1978 or the Vice-Chairman of the same;
  - (xii) Chairman of the Board of Management of the Geological Survey and Mines Bureau appointed under the Mines and Minerals Act, No. 33 of 1992;
  - (xiii) Chairman of the Marine Environment Protection Authority appointed under the Marine Pollution Prevention Act, No. 35 of 2008;
  - (xiv) Director-General of Coast Conservation and Coastal Resource Management appointed under the Coast Conservation and Coastal Resource Management Act, No. 57 of 1981; and
  - (xv) Chairman of the Central Environmental Authority appointed under the National Environmental Act, No. 47 of 1980; and
- (b) three members appointed by the Minister who shall possess academic or professional qualifications and have experience in the fields of hydrography or hydrography related discipline (hereinafter

referred to as “appointed members”) including at least one qualified Hydrographic Surveyor and one Nautical Cartographer.

(2) Where the Commandar of the Sri Lanka Navy is appointed as an *ex officio* member under subsection (1), such appointment shall be made in terms of the Navy Act , (Chapter 358) in respect of the performance of non-naval duties under the provisions of that Act.

7. (1) The Minister shall appoint one of the appointed members to be the Chairperson of the Council.

Chairperson  
of the  
Council

(2) The Chairperson may resign from his office by a letter addressed to the Minister and such resignation shall be effective from the date on which it is accepted by the Minister.

(3) The Minister may, for reasons assigned therefor remove the Chairperson from the office of Chairperson.

(4) Subject to the provisions of subsections (2) and (3), the term of office of the Chairperson shall be the period of his membership of the Council.

(5) Where the Chairperson is temporarily unable to exercise, perform and discharge the powers, duties and functions of his office due to ill health, other infirmity, absence from Sri Lanka or any other cause, the Minister may appoint any other appointed member to act as the Chairperson in addition to his normal duties as an appointed member during the absence of the Chairperson.

8. A person shall be disqualified from being appointed or continuing as a member of the Council, if he –

Disqualifications  
from being a  
member of  
the Council

(a) is or becomes a member of Parliament or of any Provincial Council or of any local authority;

- (b) is not or ceases to be a citizen of Sri Lanka;
- (c) is under any law in force in Sri Lanka or any other country found or declared to be of unsound mind;
- (d) is a person who having been declared insolvent or bankrupt under any law in force in Sri Lanka and is an undischarged insolvent or bankrupt;
- (e) is subject to an ongoing investigation in respect of an offence under any other written law;
- (f) is serving or has served a sentence of imprisonment of more than six months imposed by any court in Sri Lanka or any other country;
- (g) holds or enjoys any right or benefit under any contract made by or on behalf of the Office; or
- (h) has any financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Council.

Term of office

**9.** Every appointed member of the Council shall, unless he vacates office earlier by resignation, death or removal, hold office for a period of three years from the date of his appointment and unless removed from office, shall be eligible for reappointment for not more than one further term, whether consecutive or otherwise.

Resignation and removal

**10. (1)** Any appointed member of the Council may at any time, resign from his office by a letter to that effect, addressed to the Minister, and such resignation shall be effective from the date on which it is accepted by the Minister in writing.

(2) Where any appointed member by reason of illness, infirmity or absence from Sri Lanka is temporarily unable to discharge the functions of his office, the Minister may, having regard to the provisions of paragraph (b) of section 6, appoint a person to act in his place during his absence.

(3) The Minister may for reasons assigned therefor, remove an appointed member from office. An appointed member who has been removed from office shall not be eligible for reappointment as a member of the Council or to serve the Council in any other capacity.

(4) Where an appointed member dies, resigns or is removed from office, the Minister may having regard to the provisions of paragraph (b) of section 6, appoint a person in his place and the person so appointed shall hold office for the unexpired period of the term of office of the member whom he succeeds.

**11.** (1) The meetings of the Council shall be held at least once in every month and the quorum for a meeting of the Council shall be seven members.

Quorum and  
meetings of  
the Council

(2) The Chairperson shall preside at every meeting of the Council. In the absence of the Chairperson from any meeting of the Council, a member elected by the members present shall preside at such meeting.

(3) A meeting of the Council may be held either-

- (a) by the number of members who constitute a quorum being assembled at the place, date and time appointed for the meeting; or
- (b) by means of audio-visual linkage by which all members participating and constituting a quorum can simultaneously see and hear each participating member for the duration of the meeting.

(4) All questions for a decision at any meeting of the Council shall be decided by the vote of the majority of members present at such meeting. In the case of an equality of votes, the Chairperson shall, in addition to his vote have a casting vote.

(5) Subject to the preceding provisions of this section, the Council may regulate the procedure in relation to the meetings of the Council and the transaction of business at such meetings.

Acts or proceedings of the Council deemed not to be invalid by reason of any vacancy

**12.** The Council may act notwithstanding any vacancy among its members and any act or proceeding of the Council shall not be or deemed to be invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

Remuneration of the members of the Council

**13.** The members of the Council shall be paid remuneration in such manner and at such rates as may be determined by the Minister, with the concurrence of the Minister assigned the subject of Finance.

Seal, logo and flag of the Office

**14.** (1) The seal of the Office shall be in the custody of such person as the Council may decide from time to time.

(2) The seal of the Office may be altered in such manner as may be determined by the Council.

(3) The seal of the Office shall not be affixed to any instrument or document except with the sanction of the Council and in the presence of the Chairperson and one other member of the Council who shall sign the instrument or document in token of their presence:

Provided however, where the Chairperson is unable to be present at the time when the seal of the Office is affixed to any instrument or document, any other member of the Council authorised in writing by the Chairperson in that behalf shall

be competent to sign such instrument or document in accordance with the preceding provision of this subsection.

(4) The Office shall maintain a register of the instruments and documents to which the seal of the Office has been affixed.

(5) There shall be a logo exclusive for the use of the Office.

(6) There shall be a flag to maintain the identity of the Office.

(7) A person who knowingly or wilfully misuses the seal, logo or the flag of the Office under this Act, commits an offence under this Act and shall on conviction after summary trial before a Magistrate be liable to a fine not exceeding two million rupees or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

### PART III

#### NATIONAL HYDROGRAPHER AND THE STAFF OF THE OFFICE

**15.** (1) There shall be a National Hydrographer of the Office appointed by the Council in consultation with the Minister.

Appointment  
of the  
National  
Hydrographer  
of the  
Office

(2) The person appointed as the National Hydrographer shall –

- (a) be a citizen of Sri Lanka;
- (b) be physically and mentally fit;
- (c) be a Hydrographic Surveyor with at least fifteen years post qualification experience–
  - (i) in professional activities of hydrographic surveying;

- (ii) in hydrographic project management;  
and
  - (iii) thorough understanding in nautical cartography; and
- (d) be not more than fifty five years of age as at the date of appointment; and
- (e) be competent, of high moral integrity and of good repute.

(3) The National Hydrographer, unless he vacates office earlier by death, by operation of law, resignation or removal shall hold office for a term of three years and unless removed from the office shall be eligible for reappointment subject to a maximum period of any three terms of office whether consecutive or otherwise.

(4) The National Hydrographer shall, subject to the general or special directions of the Council, –

- (a) be charged with the conduct of day to day administration of the affairs of the Office including the administration and control of the staff;
- (b) be responsible for the execution of all decisions of the Council; and
- (c) carry out all such functions as may be assigned to him by the Council.

(5) The National Hydrographer shall be the Secretary to the Council and entitled to be present and speak at any meeting of the Council, but shall not be entitled to vote at such meeting.

(6) The National Hydrographer may, with the approval of the Council, wherever he considers it necessary to do so, delegate in writing to any officer or employee of the Office,



any of his functions referred to in subsection (4) and the officer or employee to whom any such function is delegated shall discharge them subject to the directions of the National Hydrographer.

(7) The Council may remove the National Hydrographer from office –

- (a) if he becomes permanently incapable of performing his duties;
- (b) if he had done any act which the Council has decided to be of a fraudulent or illegal character or is prejudicial to the interests of the Office; or
- (c) has failed to comply with any direction issued by the Council.

(8) The National Hydrographer shall be paid such remuneration as may be determined by the Council with the concurrence of the Minister assigned the subject of Finance.

**16.** (1) Subject to the provisions of this Act, the Office may employ or appoint such officers and employees as may be necessary for the efficient exercise, performance and discharge of its powers, duties and functions.

Staff of the  
Office

(2) The Council shall have the power subject to the provisions of the Act to –

- (a) exercise disciplinary control over and dismiss the officers and employees of the Office appointed under subsection (1);
- (b) determine the terms and conditions of service of officers and employees of the Office appointed under subsection (1); and

- (c) fix the rates at which such officers and employees shall be remunerated with the concurrence of the Minister assigned the subject of Finance.

(3) All officers and employees of the Office shall, within one month of employment, declare in writing to the Office of their personal direct or indirect interest to the affairs and transactions of the Office including those of their close relations or, concerns in which such officer or employee has a substantial interest.

(4) The Office may establish and regulate pension and provident funds and schemes for the benefit of the National Hydrographer and its officers and employees and their dependants and nominees with the concurrence of the Minister assigned the subject of Finance and may make contributions to any such fund or scheme.

(5) The Office shall promote and sponsor the training of its officers and employees and for this purpose, the Office shall be authorised to defray the costs of study, in Sri Lanka or abroad of the officers and employees of the Office who are of proven merit as determined by the Office.

(6) The Office shall establish a code of conduct which shall be applicable to the officers and employees of the Office.

(7) The Office shall not appoint any person to the staff of the Office under subsection (1), where such person –

- (a) has been previously found guilty of serious misconduct by a court or tribunal or has been subject to a disciplinary action by a regulatory body;
- (b) has been previously dismissed from office; or

- (c) has committed a breach of the provisions of this Act, regulations or rules made thereunder.

(8) At the request of the Office, any officer in the public service may, with the consent of the officer and the Public Service Commission be temporarily appointed to the staff of the Office for such period as may be determined by the Office or with like consent, be permanently appointed to such staff.

(9) Where any officer in the public service is temporarily appointed to the staff of the Office, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall *mutatis mutandis*, apply to and in relation to such officer.

(10) Where any officer in the public service is permanently appointed to the staff of the Office, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall *mutatis mutandis*, apply to and in relation to such officer.

(11) Where the Office employs any person who has agreed to serve the Government for a specified period, any period of service to the Office by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such agreement.

(12) At the request of the Office, any officer of the Sri Lanka Army, Sri Lanka Navy or Sri Lanka Air Force may, with the written sanction of the Commander of the Army, Commander of the Navy or the Commander of the Air Force, as the case may be, be temporarily appointed to the Office for such period as may be determined by the Office subject to the provisions of the Army Act (Chapter 357), Navy Act (Chapter 358), and the Air Force Act (Chapter 359), as the case may be.

(13) The Office may with the consent of such officer or employee propose secondment of its officers or employees to other state institutions or regulatory authorities in Sri Lanka or abroad for a period determined by the Office on an assignment agreed upon between such institution or the authority and the Office. The period of secondment shall be deemed to be considered as service to the Office.

#### PART IV

##### REGISTRATION AS HYDROGRAPHIC SURVEYORS OR NAUTICAL CARTOGRAPHERS

Hydrographic  
Surveyors or  
Nautical  
Cartographers  
to register  
under this  
Act

**17.** (1) A person shall not practice as a Hydrographic Surveyor or as a Nautical Cartographer unless such person is registered under the provisions of section 18 of this Act:

Provided that, any Hydrographic Surveyor or a Nautical Cartographer who is engaged in the practice of hydrographic surveying or nautical cartography other than on the Sri Lanka internal waters on the date of commencement of this Act shall, within two years from the date of commencement of this Act, register himself under the provisions of section 18.

(2) Any person who fails to comply with the provisions of subsection (1) commits an offence under this Act and shall on conviction after summary trial before a Magistrate be liable to a fine not exceeding one hundred thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

Application  
for  
registration  
as a  
Hydrographic  
Surveyor or a  
Nautical  
Cartographer

**18.** (1) A person who wishes to practice as a Hydrographic Surveyor or a Nautical Cartographer shall make an application to the Office for registration.

(2) The applicant under subsection (1) shall possess such qualifications and experience as may be prescribed in compliance with international standards.

(3) An application under subsection (1) shall be substantially in a form as may be prescribed by regulation and accompanied by a prescribed fee.

(4) The Office may require an applicant to furnish further information in connection with an application as it may specify.

(5) An applicant shall bear the cost incurred in connection with the verification of information submitted in support of an application.

(6) Upon the receipt of an application under subsection (1), the office shall, on consideration of the matters contained in the application decide either to register as a Hydrographic Surveyor or a Nautical Cartographer subject to the provisions of this Act and to such terms and conditions specified therein or for the reasons to be recorded by it, refuse to register as a Hydrographic Surveyor or a Nautical Cartographer.

(7) The Office shall in writing inform the applicant of its decision and in the case of a refusal to register, it shall state its reasons therefor within one month from the date of informing the said decision.

(8) A Hydrographic Surveyor or a Nautical Cartographer registered under this section shall be granted with a Certificate of Registration in the respective field in the form and manner as may be prescribed (hereinafter referred to as the “Certificate of Registration”).

(9) The Certificate of Registration shall include such terms and conditions subject to which such registration has been granted.

**19.** (1) A Certificate of Registration that has been granted under this Act shall, unless cancelled earlier be valid for a period of one year from the date of the issue of the Certificate of Registration.

Duration of a registration

(2) The Office may cancel a Certificate of Registration issued under section 18, if it is satisfied that the holder of the Certificate of Registration has violated the provisions of the Act or regulations made thereunder or any of the terms and conditions of such Certificate of Registration.

Renewal of  
Certificate of  
Registration

**20.** A Certificate of Registration issued under section 18 shall be renewable on an application in a form as may be prescribed being made in that behalf to the Office not later than thirty days before the expiry of the Certificate of Registration and be accompanied by a fee as may be prescribed:

Provided that, any Hydrographic Surveyor or a Nautical Cartographer who is a public officer shall not be required to renew the registration under this section for so long as such officer serves as a public officer.

Refusal to  
register or  
renew a  
Certificate of  
Registration

**21.** (1) Where an application is made for the registration or renewal of a Certificate of Registration, the Office may refuse to register or renew the Certificate of Registration on any of the following grounds: -

- (a) non-compliance with the rules made in that behalf;
- (b) failure to comply with the provisions of this Act or, regulations or rules made thereunder;

- (c) the information or documents furnished by the applicant to the Office is false or misleading or, material omissions exist; or
- (d) has been convicted for an offence under the provisions of this Act.

(2) The Office shall not refuse to register or renew the Certificate of Registration without giving the applicant an opportunity of being heard.

**22.** (1) Every Hydrographic Surveyor or a Nautical Cartographer, as the case may be, who is registered under section 18, shall have the right to use if such person is –

Use of abbreviated designations

- (a) a Hydrographic Surveyor, the abbreviated designation “HyS”; and
- (b) a Nautical Cartographer, the abbreviated designation “NauC”.

(2) A person shall not use any abbreviated designation referred to in subsection (1) unless such person is registered as a Hydrographic Surveyor or a Nautical Cartographer under the provisions of this Act.

**23.** (1) Where the Office is satisfied that any Hydrographic Surveyor or a Nautical Cartographer –

Cancellation or suspension of a registration

- (a) has contravened the provisions of this Act, or any regulation or rule made thereunder;
- (b) has contravened any term or condition of the Certificate of Registration issued under section 18; or
- (c) has been found guilty of a prescribed act or professional misconduct, after an inquiry held by the Complaint Resolution Committee established by the Office under section 26,

the Office shall take steps to suspend the registration of such Hydrographic Surveyor or a Nautical Cartographer issued under section 18 and cause a notice of such suspension be issued forthwith to such Hydrographic Surveyor or a Nautical Cartographer.

(2) Any such notice shall specify the grounds on which the decision of the Office is based on, and shall indicate that such Hydrographic Surveyor or the Nautical Cartographer may within a period of one month commencing from the date of receipt of the notice submit to the Office in writing any reason as to why the registration shall not be cancelled.

(3) Where such Hydrographic Surveyor or the Nautical Cartographer, as the case may be, fails to submit the reasons within the period of one month or where the Office is not satisfied with the reasons given by the Hydrographic Surveyor or the Nautical Cartographer, the Office may after due inquiry cancel the registration of such Hydrographic Surveyor or the Nautical Cartographer as the case may be, and inform such person in writing about such cancellation.

(4) Where any Hydrographic Surveyor or a Nautical Cartographer is convicted for an offence under this Act, the Certificate of Registration issued to such person under section 18 shall –

- (a) where no appeal is preferred against the conviction, be cancelled; or
- (b) where an appeal is preferred in terms of relevant written law, be suspended until the decision of the appellate court to which the appeal is preferred is pronounced.



(5) Where the registration of a Hydrographic Surveyor or a Nautical Cartographer is cancelled, the name of such person shall be removed from the registers kept under section 38 of this Act.

(6) Any person whose registration is cancelled under this section shall within fourteen days handover his respective Certificate of Registration to the Office.

## PART V

### APPEALS

**24.** (1) Any person who is aggrieved by the decision of the Office other than under subsection (4) of section 23 may within thirty days of being notified of such decision, appeal to the Appeals Board appointed by the Minister for this purpose under section 25. Appeals

(2) The Appeals Board may, after taking into consideration all the relevant factors and where it is appropriate and reasonable –

- (a) allow the appeal and vary the decision of the Office or confirm such decision; or
- (b) disallow the appeal.

**25.** (1) The Minister shall appoint an Appeals Board which shall consist of – Appeals Board

- (a) a registered Hydrographic Surveyor and a Nautical Cartographer with at least five years experience;
- (b) an Attorney-at-Law who is qualified in the field of maritime law with at least ten years experience in the relevant field; and

(c) a Class 1 officer of the Sri Lanka Administrative Service.

(2) The Minister when appointing the members of the Appeals Board may consult the Office.

(3) The members of the Appeals Board shall hold office for a term of three years from the date of appointment and shall be eligible for reappointment.

(4) The Minister may make regulations prescribing the manner in which the meetings and business of the Appeals Board shall be carried out.

(5) The Appeals Board shall inform its decision to the Office.

(6) Upon receiving the decision of the Appeals Board, the Office shall forthwith inform the appellant of such decision and act in accordance with the decision of the Appeals Board.

(7) The members of the Appeals Board may be paid such remuneration as may be determined by the Minister with the concurrence of the Minister assigned the subject of Finance.

Inquiry by  
Complaints  
Resolution  
Committee

**26.** (1) The Office shall establish a Complaints Resolution Committee (hereinafter referred to as the “Committee”) comprising of such officers authorised by the Office to hear complaints by any person relating to the professional misconduct or breach of any provision of this Act, or regulations or rules made thereunder.

(2) The Committee may hold such inquiries as may be deemed necessary or expedient and for such purpose summon and call upon any person to appear before the Committee to give evidence or to produce any book or document in the possession or control of such person as are required for the purpose of such inquiries.

(3) The Office shall establish an appropriate procedure for handling such complaints and all matters incidental thereto by rules made under this Act.

(4) The Committee may on receipt of any written complaint made by a person, examine the evidence produced before such Committee to find whether any prescribed act of professional misconduct has been committed by the Hydrographic Surveyor or Nautical Cartographer, against whom the complaint is made.

(5) Where the Committee finds that a person has contravened any provision of this Act, or regulations or a rules made thereunder, the Committee shall convey such finding with a recommendation to the Office and the Office shall have the discretion to either give effect to such recommendation or take any other action as it may deem expedient.

(6) The Office shall not take any action under this section without affording the person an opportunity of being heard.

## PART VI

### FINANCE

**27.** (1) The Office shall have its own Fund (hereinafter referred to as “the Fund”).

Fund of the  
Office

(2) There shall be credited to the Fund –

- (a) all such sums of money as may be voted from time to time by Parliament, for the use of the Office;
- (b) all such sums of money as may be received by the Office in the exercise and discharge of its powers, duties and functions under this Act; and

- (c) all such sums of money as may be received by the Office by way of income, fees, charges, grants, gifts or donations from any source whatsoever whether within or outside Sri Lanka:

Provided that, the Office shall obtain the prior written approval of the Department of External Resources of the Ministry of the Minister assigned the subject of Finance, in respect of all foreign grants, gifts or donations made to the Office.

(3) There shall be paid out of the Fund –

- (a) all such sums of money as are required to defray any expenditure incurred by the Office in the exercise, performance and discharge of its powers, duties and functions under this Act; and
- (b) all such sums of money as are required to be paid out of the Fund by or under this Act.

Financial year  
and audit of  
accounts

**28.** (1) The financial year of the Office shall be the calendar year.

(2) The Council shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other transactions of the Office.

(3) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of accounts of the Office.

(4) The Council shall submit the audited statement of accounts together with the auditor's report to the Minister

within five months of the end of the financial year to which such report relates. The Minister shall place such statement and the report before Parliament within two months of the receipt thereof.

## PART VII

### GENERAL

**29.** (1) The Council may in writing and subject to such conditions as may be specified therein, delegate to the National Hydrographer the powers, duties and functions conferred on the Council under paragraphs (a) and (b) of subsection (2) of section 16 and the National Hydrographer shall exercise, perform and discharge such powers, duties and functions in the name and on behalf of the Council.

Delegation of the powers of the Council

(2) The Council may, notwithstanding any delegation made under subsection (1), by itself exercise, perform or discharge any power, duty or function so delegated and may at any time revoke any such delegation.

**30.** No civil or criminal proceedings shall be instituted against the National Hydrographer, any officer or employee of the Office or any member of the Council, for any act which in good faith is done or purported to be done by him under this Act or on the directions of the Office or the Council as the case may be, if he proves that he acted in good faith and exercised all due diligence, reasonable care and skill.

Protection for action taken under this Act

**31.** (1) Every member of the Council, the National Hydrographer, and every officer or employee of the Office shall, before entering into the duties of his office sign a declaration that he will not disclose any information received by him or coming to his knowledge in the exercise,

Duty to maintain Secrecy

performance and discharge of his powers, duties and functions under this Act except for the purpose of giving effect to the provisions of this Act to the extent permitted under the provisions of Right to Information Act, No. 12 of 2016.

(2) Any person who contravenes the provisions of subsection (1), commits an offence under this Act, and shall on conviction after summary trial before a Magistrate be liable to a fine not exceeding one hundred thousand rupees or to imprisonment of either description for a term not exceeding one year or to both such fine and imprisonment.

Database

**32.** (1) The Office shall create, manage and maintain a database of all hydrographic survey data, marine data and hydrosatial data collected by the Office.

(2) The Office shall take all necessary steps including technical safeguards to ensure the security of all its databases and data.

Duplicates

**33.** (1) The duplicates of all the nautical charts and nautical publications prepared by every registered Hydrographic Surveyor or a Nautical Cartographer during the preceding month to be submitted to the Office on or before the fifteenth day of every month together with a list in duplicate in such form and manner as may be prescribed.

(2) The Office shall maintain such duplicates in the form and manner as may be prescribed.

(3) Where any nautical chart or fair sheet is not prepared by a Hydrographic Surveyor or a Nautical Cartographer in any month, such person shall, unless he is absent from Sri Lanka furnish a nil list for that month on or before the fifteenth day of the following month.

(4) A Hydrographic Surveyor or a Nautical Cartographer who fails to submit the duplicates commits a professional misconduct under the provisions of this Act.

**34.** Any nautical chart, fair sheet or any other navigational chart or bathymetric sheet prepared in accordance with any other written law, purporting to be a true copy of such a nautical chart or fair sheet and purporting to be signed by the National Hydrographer or any officer acting on his behalf shall be admissible in evidence in all cases and for all purposes and may be taken as *prima facie* evidence of the truth of the facts stated therein and it shall not be necessary to prove that such copy was in fact signed or authenticated by the National Hydrographer or the officer acting on his behalf or that it is a true copy or that the facts stated therein are accurate until the contrary is proved.

Authenticity of nautical charts & etc.

**35. (1)** A person who knowingly or willfully removes, destroys, alters the position of or markings on any hydrographic survey mark at the sea or coastal area, buoys or beacons that have been placed or set up for the control of hydrographic surveys or delineation of boundaries or identification of danger or for the purpose of any survey conducted under this Act, commits an offence under this Act and shall on conviction after summary trial before a Magistrate be liable to a fine not exceeding one million rupees or to imprisonment for a term not exceeding one year or to both such fine and imprisonment.

Interference with survey marks

(2) Any person who is convicted under subsection (1) shall, in addition to the fine or term of imprisonment or both for which such person is liable also be liable to such costs as may be determined by the Office in respect of repairing, replacing or restoring any such survey marks, buoys or beacons specified in subsection (1).

Power to access  
any place

**36.** (1) For the purpose of exercise, performance and discharge of the powers, duties and functions, it shall be lawful for the Office or any person authorised by the Office to conduct the following -

- (a) to have access to any place, premises, vehicle, aircraft or a vessel;
- (b) to place or enact any permanent light, benchmark, reference mark or any temporary flag, sign or other mark for the purpose of hydrographic surveying; and
- (c) to remove any flora or fauna obstructing any beacon, mark, trigonometrical point, flag, buoy or signal unless it is prohibited under any other written law.

(2) For the purpose of exercising the powers specified under subsection (1) –

- (a) prior written notice shall be given to the owner, occupier or the person in possession of the place, premises, vehicle, air craft or vessel within a reasonable period of time;
- (b) the owner, occupier or the person in possession shall be reimbursed with any damage caused to such person's property while carrying out any power, duty or function under subsection (1) in the manner specified by the Office; or
- (c) prior written approval of the relevant authority be obtained if the access to any place, premises, vehicle, aircraft or vessel is restricted due to national security or under the provision of any other written law.



**37.** Any vessel used for the hydrographic surveying in the waters of Sri Lanka and any mechanical or non-mechanical equipment shall be approved by the Office as may be specified by the Office in accordance with the rules made in that behalf.

Vessels of the hydrographic survey fleet

**38.** The Office shall, in accordance with the provisions of this Act and regulations made thereunder maintain the registers of the Hydrographic Surveyors and Nautical Cartographers in the form and manner as may be prescribed.

Registers to be kept by the Office

**39.** (1) In terms of the provisions of this Act, where any immovable property of the State is required for the purposes of the Office, such purpose shall be deemed to be a purpose for which a special grant or lease of such property be made to the Office under section 6 of the Crown Lands Ordinance (Chapter 454) and accordingly the provisions of that Ordinance shall apply to a special grant or lease of such property to the Office for such purpose.

State property both movable and immovable be made available to the Office

(2) Where any movable property of a Government department or any public corporation is required for the purposes of the Office, the Minister may by Order published in the *Gazette* transfer to and vest in the Office the possession and use of such movable property.

(3) No Order affecting any movable property of any Government department or public corporation shall be made by the Minister under subsection (2) without the concurrence of the Minister assigned with that department or public corporation.

**40.** Where any person contravenes any provision of this Act or any regulations or rules made thereunder and no penalty has been specified under this Act in respect of such contravention, such person shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding fifty thousand rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.

Penalties for contraventions for which no specific provisions have been made

Provision regarding prosecution

**41.** An officer authorized in writing by the Office shall be deemed to be a public servant within the meaning of section 136 of the Code of Criminal Procedure Act, No. 15 of 1979, for the purpose of instituting proceedings in respect of offences under this Act.

Office deemed to be a Scheduled Institution within the meaning of the Anti-Corruption Act

**42.** The Office shall be deemed to be a Scheduled Institution within the meaning of the Anti-Corruption Act, No. 9 of 2023 and the provisions of that Act shall be construed accordingly.

Members, National Hydrographer, officers and employees of the Office deemed to be public servants

**43.** All members of the Council, the National Hydrographer and all officers and employees of the Office shall be deemed to be public servants within the meaning and for the purposes of the Penal Code (Chapter 19).

Directions of the Minister

**44.** The Minister may from time to time, for the purpose of giving effect to the objects of the Act and the State policy, issue to the Council, general directions as to the exercise, performance and discharge of the powers, duties and functions of the Office.

Provisions of this Act to prevail over other written law

**45.** The provisions of this Act shall have effect notwithstanding anything to the contrary in any other written law and accordingly in the event of any inconsistency or conflict between the provisions of this Act and such other written law, the provisions of this Act shall prevail.

Regulations

**46.** (1) The Minister may make regulations in respect of all matters required by this Act to be prescribed or in respect of which regulations are authorized by this Act to be made.

(2) In particular and without prejudice to the generality of the provisions contained in subsection (1), the Minister may make regulations in regard to –

- (a) the mode and manner of preparation and maintenance of nautical charts in relation to the waters of Sri Lanka;
- (b) adaptation of international procedures related to hydrographic services;
- (c) the manner in which hydrographic surveys to be conducted and the form and the manner in which the nautical charts, fair sheets, digital data and other records pertaining to a hydrographic survey to be prepared and the details to be inserted in such nautical charts, fair sheets, field books and records;
- (d) the degree of accuracy to be attained in hydrographic surveys and the limit of error to be allowed;
- (e) the steps to be taken to test the accuracy of hydrographic surveys and for the correction of any inaccuracies that may be discovered;
- (f) the courses of study and training required to be obtained by a hydrographic surveyor before renewing such person's registration;
- (g) guidelines to be followed by registered hydrographic surveyors and Nautical Cartographers;
- (h) form and manner and procedure relating to qualifying exams and professional tests to be followed by persons who intend to register under the provisions this Act; and

- (i) registration of institutions which provide educational and professional qualifications to any person who intends to obtain a registration under the provisions of this Act.

(3) Every regulation made by the Minister within three months after its publication in the *Gazette* be brought before Parliament for approval.

(4) Any regulation which is not so approved shall be deemed to be rescinded as from the date of such disapproval but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any regulation is so disapproved shall be published in the *Gazette*.

Rules

**47.** (1) Subject to the provisions of this Act, the Council may make rules in respect of all or any of the following matters: -

- (a) all matters for which rules are authorised or required to be made under this Act;
- (b) the meetings of the Council and the procedure to be followed at such meetings;
- (c) code of conduct to be followed by the officers and employees of the Office and a code of conduct to be followed by the registered Hydrographic Surveyors and Nautical Cartographers; and
- (d) the appointment, promotion, remuneration and disciplinary control of officers and employees and the grant of leave and other emoluments to officers and employees.

(2) Every rule made by the Office shall be approved by the Minister and be published in the *Gazette* and shall come into operation on the date of its publication or on such later date as may be specified therein.

**48.** In this Act, unless the context otherwise requires- Interpretation

“contiguous zone” means the zone which may not extend beyond twenty four nautical miles from the baselines from which the breadth of the territorial sea is measured;

“digital data” means information obtained or created by the operation of electronic equipment in the course of hydrographic surveying, nautical charting or related incidental activities;

“exclusive economic zone” means the zone which shall not extend beyond two hundred nautical miles from the baselines from which the breadth of the territorial sea is measured;

“Fair sheets” means bathymetric data set in digital or graphic formats;

“hydrography” means the branch of applied sciences which deals with the measurement and description of the physical features of oceans, seas, coastal areas, lakes and rivers, as well as with the prediction of their change over time, for the primary purpose of safety of navigation and in support of all other marine activities, including economic development, security and defence, scientific research and environmental protection;

“hydrographic services” includes the management, maintenance, interpretation, certification and dissemination of bathymetric, hydrographic, shoreline, geodetic, geospatial, geomagnetic, and tide, water level, and current information, including the production of nautical charts, nautical information databases, and other products derived from hydrographic data; the development of nautical information systems and related activities;

“hydrographic survey” means any conduct of hydrography;

“hydrographic surveyor” means any person who studies and practices the science of hydrography complies with the international standard of competence as laid down by the international organizations;

“hydrospatial ” means the hydrospatial sciences and denoting data, information and knowledge that is associated with a particular location and time of the earth’s water and there contiguous zones;

“internal waters” mean waters located landward of the base lines from which the territorial sea is measured and includes such as rivers, lakes, ponds and reservoirs of Sri Lanka;

“marine” means anything related to navigation or shipping and includes anything related to or connected with the sea and refers to things which are used or adopted for the use at sea;

“marine data” means data relating to navigation or shipping and includes any data related to or connected with sea and the refers to data which are used or adopted for the use at sea;

“marine geospatial data ” includes dense data on the depth of oceans, magnetic nature, gravity changes, sound wave propagation in sea water temperature and pressure variations, behaviour of ocean currents and tides in the coastal zone of Sri Lanka;

“maritime” means bordering on, concerned with or related to the sea; and

“maritime zone” means any maritime zone declared under the Maritime Zones Law, No. 22 of 1976 and includes –

(a) the contiguous zone;

(b) the exclusive economic zone;

(c) the continental shelf; and

(d) the pollution prevention zone,

declared by Proclamation in terms of the aforesaid Law, and any other zone which may be declared at a future date under the said Law;

“Minister” means the Minister assigned the subject of the Defence under Article 44 or 45 of the Constitution;

“nautical cartography” means the art and science of expressing electronic or printed nautical charts by means of computer hardware and software which aids humans to make decisions and perform their functions;

“nautical cartographer” means the person employed in drawing and constructing electronic or printed nautical charts complies with the international standard of competence as laid down by the international organizations;

“nautical charting” means the activity or process of making a digital or printed chart of water bodies;



“nautical charts” means a chart specifically designed to meet the requirements of marine navigation, showing depths of water, nature of bottom, elevations, configuration and characteristics of coast, dangers, and aids to navigation;

“navigation” means the process of directing the movement of a craft from one point to another;

“notices to mariners” means corrections to nautical charts and publications. These only contain information which is vitally important to safety at sea;

“ocean” means the vast body of water on the surface of the globe, which surrounds the land the main or great sea, one of the main areas into which this body of water is divided geographically;

“pollution prevention zone” means the zone which is formulated to prevent, reduce, control and manage pollution arising out of ship based activity and shore based maritime related activity in the territorial waters of Sri Lanka or any other maritime zone, its fore-shore and the coastal zone of Sri Lanka;

“prescribed” means prescribed by regulations made under this Act;

“public officer” shall have the same meaning assigned to such expression under the Constitution;

“sea” means the great body of salt water in general, as opposed to land;

“territorial waters” includes the territorial sea and the historic waters of Sri Lanka;

“waters of Sri Lanka” includes internal waters and territorial sea of Sri Lanka.

Sinhala text to prevail in case of inconsistency

**49.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, No. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**HEART TO HEART TRUST FUND (INCORPORATION)  
ACT, No. 10 OF 2024**

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**[Certified on 19th of February, 2024]**

*Printed on the Order of Government*

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*Heart to Heart Trust Fund (Incorporation)*  
*Act, No.10 of 2024*

[Certified on 19th of February, 2024]

L.D.—O. (Inc.) 2/2019

AN ACT TO INCORPORATE THE HEART TO HEART TRUST FUND

WHEREAS a Trust Fund called and known as the “Heart to Heart Trust Fund” has heretofore been established by the Trust Deed bearing number 309 dated December 1, 2014 attested by N. S. Malinee Senanayake, Notary public of Colombo in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Trust Fund according to the rules agreed to by its members:

Preamble

AND WHEREAS the said Trust Fund has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated, and it will be for the public advantage to grant the said application:

BE it therefore enacted by Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

1. This Act may be cited as the Heart to Heart Trust Fund (Incorporation) Act, No. 10 of 2024.

Short title

2. (1) From and after the date of commencement of this Act, such and so many persons as now are members of the “Heart to Heart Trust Fund” (hereinafter referred to as the “Trust Fund”) and shall hereafter be admitted as members of the body corporate hereby constituted, shall have perpetual succession under the name and style of the “Heart to Heart Trust Fund” (hereinafter referred to as the “body corporate”) and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure.

Incorporation of the Heart to Heart Trust Fund

2 *Heart to Heart Trust Fund (Incorporation)*  
*Act, No.10 of 2024*

(2) The body corporate shall be deemed to be a voluntary social service organization within the meaning, and for the purpose of the voluntary social services organizations (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

General objects  
of the body  
corporate

**3.** (1) The general objects for which the body corporate is constituted are hereby declared to be—

- (a) to promote the awareness of the general public on all matters pertaining to heart diseases including the cause and prevention of such diseases by organizing lectures, seminars and other pertinent programmes; and
- (b) to provide financial assistance to heart patients in need of funds who seek treatments particularly at any hospital of Sri Lanka,

subject to any applicable written law, to the extent permitted by such law.

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, sex, political opinion, place of birth or any of such grounds.

Body corporate  
to ensure no  
conflict with  
work of  
Ministry or  
Department of  
the Government  
or Provincial  
Council

**4.** The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council.

Management of  
affairs of the  
body corporate

**5.** (1) Subject to the provisions of this Act and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a

*Heart to Heart Trust Fund (Incorporation) 3*  
*Act, No.10 of 2024*

Board of Trustees consisting of such number of office bearers as may be specified by the rules made under section 7.

(2) (a) The Board of Trustees of the Trust Fund holding office on the day immediately preceding the date of commencement of this Act, shall subject to the rules made under paragraph (b) of this subsection, function as an Interim Board of Trustees of the body corporate until the first Board of Trustees is appointed or elected in the manner provided for by rules made under section 7.

(b) Subject to the provisions of subsections (2), (3) and (4) of section 7, the Interim Board of Trustees shall have the power to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board of Trustees shall be taken by the majority of its members present.

(d) The first Board of Trustees of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Board of Trustees including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or adviser shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Board of Trustees shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

4 *Heart to Heart Trust Fund (Incorporation)*  
*Act, No.10 of 2024*

Powers of the  
body corporate

**6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute all such acts and matters as are necessary or desirable for the promotion or furtherance of the objects of the body corporate or any one of them, including the power–

- (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the Board of Trustees with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Board of Trustees shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;



- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Board of Trustees may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities, as may be determined by the body corporate in terms of rules made under section 7 of the Act;
- (h) to organize lectures, seminars and conferences with a view to promoting the objects of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate;
- (j) to train officers and servants in Sri Lanka or abroad for the purposes of the body corporate; and
- (k) generally to do all such acts and things authorized by this Act for the achievement of the objects of the body corporate.

7. (1) It shall be lawful for the body corporate, from time to time at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act, or any other written law, for all or any of the following matters:—

Rules of the  
body corporate

6 *Heart to Heart Trust Fund (Incorporation)*  
*Act, No.10 of 2024*

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members ;
- (b) the election of office bearers of the Board of Trustees or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers ;
- (c) the terms and conditions of appointment, powers, functions and duties of various officers and servants of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Board of Trustees or notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Board of Trustees and the body corporate;
- (f) the administration and management of the property of the body corporate; and
- (g) generally the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1), shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof;

*Heart to Heart Trust Fund (Incorporation) 7*  
*Act, No.10 of 2024*

(4) Every rule made by the body corporate shall, within three months after its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

**8.** The Board of Trustees shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

Register of  
members

**9.** (1) The body corporate shall have its own Fund.

Fund of the  
body corporate

(2) All moneys received by way of gift, bequest, donation, subscription, contribution, fees or grant for and on account of the body corporate shall be deposited in one or more banks approved by the Board of Trustees to the credit of the body corporate subject to the provisions of section 6(c):

(3) There shall be paid out of the Fund, all sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

**10.** (1) The financial year of the body corporate shall be the calendar year.

Accounts and  
Auditing

8 *Heart to Heart Trust Fund (Incorporation)*  
*Act, No.10 of 2024*

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by the Auditor-General or qualified auditor appointed by the Auditor-General in terms of provisions of Article 154 of Constitution and be certified by the Auditor-General or such qualified auditor.

(4) For the purposes of this section “a qualified auditor” means—

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka, or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or
- (b) a firm Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Board of Trustees shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by the Auditor- General or a qualified auditor, to the Secretary of the Ministry of the Minister assigned the subject of Health and to the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Organization (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

*Heart to Heart Trust Fund (Incorporation)*      9  
*Act, No.10 of 2024*

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

**12.** All debts and liabilities of the Trust Fund existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Trust Fund on that day shall be paid to the body corporate for the purposes of this Act.

Debts due by  
and payable to  
the Trust Fund

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate  
may hold  
property  
movable and  
immovable

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of  
moneys and  
property

**15.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence two members of the Board of Trustees who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body  
corporate

10 *Heart to Heart Trust Fund (Incorporation)*  
*Act, No.10 of 2024*

(2) The seal of the body corporate shall be in the custody of an office bearer of the Board of Trustees as may be decided by such Board of Trustees.

Property remaining on dissolution

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

(2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the rights of the Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or other body corporate.

Interpretation

**18.** In this Act, unless the context otherwise requires:—

“bank” means a bank licensed under the provisions of the Banking Act, No. 30 of 1988;

“law” shall have the same meaning assigned to such expression in the Constitutions; and

“written law” means, any law and subordinate legislation including statutes made by a Provincial Council and regulations made under such statutes, Orders, Proclamations, Rules, By-laws and Regulations made or issued by any body or person having power or authority under any law to make or issue the same.

Sinhala text to prevail in case of inconsistency

**19.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, No. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SRI LANKA BAPTIST SANGAMAYA (INCORPORATION)  
(AMENDMENT) ACT, No. 11 OF 2024**

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**[Certified on 19th of February, 2024]**

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*Sri Lanka Baptist Sangamaya (Incorporation)  
(Amendment) Act, No. 11 of 2024*

[Certified on 19th of February, 2024]

L.D.–O. (Inc.) 13/2022

AN ACT TO AMEND THE SRI LANKA BAPTIST SANGAMAYA  
(INCORPORATION) ORDINANCE (CHAPTER 341)

WHEREAS the Sri Lanka Baptist Sangamaya was incorporated by the Sri Lanka Baptist Sangamaya Ordinance (Chapter 341): Preamble

WHEREAS the members of the Sri Lanka Baptist Sangamaya formally known as the Ceylon Baptist Council, has passed a resolution to amend the name of the said Sangamaya, for the purpose of giving effect to the said resolution, and has applied to change the name of such Sangamaya and it will be expedient to grant such application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

**1.** This Act may be cited as the Sri Lanka Baptist Sangamaya (Incorporation) (Amendment) Act, No. 11 of 2024. Short title

**2.** In every context in which the Sri Lanka Baptist Sangamaya is mentioned (whether by that name or by the abbreviation of the “Sangamaya”) in the Sri Lanka Baptist Sangamaya Ordinance (Chapter 341) (hereinafter referred to as the “principal enactment”) or in any rule, notice or other document made or issued thereunder, there shall, unless the context otherwise requires, be substituted for the expression “Sri Lanka Baptist Sangamaya” or “Sangamaya” of the expression “Sri Lanka Baptist Church” or “Church”, as the case may be. General amendment to the Chapter 341

**3.** (1) Every contract, agreement or other instrument or document whatsoever made, issued or executed prior to the date of commencement of this Act, and subsisting on that date by or in favour of the “Sri Lanka Baptist Sangamaya” Savings for contracts etc

2 *Sri Lanka Baptist Sangamaya (Incorporation)  
(Amendment) Act, No. 11 of 2024*

shall be deemed, from and after the date of commencement of this Act, to be and to have been made, issued or executed by or in favour of the “Sri Lanka Baptist Church”.

(2) All suits, actions, appeals and other legal proceedings instituted by or against the “Sri Lanka Baptist Sangamaya” and pending on the day immediately prior to the date of the commencement of this Act, shall not abate or be discontinued, and may be continued or enforced by or against the “Sri Lanka Baptist Church”.

(3) All the rights, liabilities, and obligations of the “Sri Lanka Baptist Sangamaya” other than the rights, liabilities and obligations referred to in subsection (1) on the day immediately prior to the date of commencement of this Act, shall be deemed to be the rights, liabilities and obligations of the “Sri Lanka Baptist Church”.

Avoidance of doubts

**4.** For the purpose of avoidance of doubt it is hereby declared that the “Sri Lanka Baptist Church” shall for all purposes be deemed to be the successor to the “Sri Lanka Baptist Sangamaya” incorporated by section 2 of the principal enactment.

Sinhala text to prevail in case of inconsistency

**5.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SRI BALABHIVURDHI WARDANA SOCIETY  
(INCORPORATION) ACT, No. 12 OF 2024**

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**[Certified on 19th of February, 2024]**

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*Sri Balabhivurdhi Wardana Society  
(Incorporation) Act, No. 12 of 2024*

[Certified on 19th of February, 2024]

L.D.—O. (Inc. 14/2013)

AN ACT TO INCORPORATE THE SRI BALABHIVURDHI WARDANA SOCIETY

WHEREAS a Society called and known as the “Sri Balabhivurdhi Wardana Society” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Society according to the rules agreed to, by its members: Preamble

AND WHEREAS the said Society has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

**1.** This Act may be cited as the Sri Balabhivurdhi Wardana Society (Incorporation) Act, No. 12 of 2024. Short title

**2.** (1) From and after the date of commencement of this Act, such and so many persons as now are members of the Sri Balabhivurdhi Wardana Society (hereinafter in this Act referred to as the “Society”) and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Sri Balabhivurdhi Wardana Society” (hereinafter referred to as the “body corporate”) and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure. Incorporation of the Sri Balabhivurdhi Wardana Society

(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning, and for the purpose of the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

2 *Sri Balabhivurdhi Wardana Society*  
(Incorporation) Act, No. 12 of 2024

General  
objects of the  
body  
corporate

3. (1) The general objects for which the body corporate is constituted are hereby declared to be—

- (a) to carryout various commemorative activities in memory of Arahath Mahinda who was instrumental in the setting up of the Budha Sasana in Sri Lanka;
- (b) to assist the relevant authorities to undertake road development and housing schemes, the construction and improvement of hospitals, educational centers, schools, pirivenas and community centers;
- (c) to assist the relevant authorities to establish, equip and maintain pre-school and libraries;
- (d) to engage in the dissemination of Dhamma, internationally and the dissemination of Buddhist Philosophy and the Buddhist way of life among Buddhists and to establish friendly relations with other Buddhist Organizations in Sri Lanka or abroad;
- (e) to assist the relevant authorities to provide medical aid, food and housing to the poor, the destitute and the sick;
- (f) to assist the relevant authorities to establish and maintain orphanages and homes for the aged and social welfare centers and to provide welfare facilities for deaf, dumb and the blind and disabled persons;
- (g) to grant financial assistance or scholarships to the voluntary workers who are engaged in the attainment of the objects of the body corporate;
- (h) to assist the relevant authorities to provide bursaries, scholarships, prizes, donations, financial aid and other assistance to needy and deserving students for the advancement of education and knowledge;

- (i) to collaborate with any other institution or organization, whether foreign or local, having objects similar to those of the body corporate; and
- (j) to sponsor and conduct conferences, seminars, workshops, group studies and lectures and to print, publish and distribute books, journals, leaflets, newspapers and magazines which the body corporate may consider desirable for the promotion and advancement of its objects.

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, sex, political opinion, place of birth or any of such grounds.

**4.** The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council.

Body corporate to ensure no conflict with work of Ministry or Department of the Government or Provincial Council

**5.** (1) Subject to the provisions of this Act, and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a Governing Council (hereinafter referred to as the “Council”) consisting of such number of office bearers as may be specified by the rules made under section 7.

Management of affairs of the body corporate

(2) (a) The members of the Council of the Society holding office on the day immediately preceding the date of commencement of this Act shall, function as an Interim Council of the body corporate until the first Council is appointed or elected in the manner provided for by rules made under section 7.

4 *Sri Balabhivurdhi Wardana Society*  
*(Incorporation) Act, No. 12 of 2024*

(b) The Interim Council shall have the power to make rules for the interim administration of the body corporate and for election or appointment of the members of the first Council of the body corporate.

(c) Any decision of the Interim Council shall be taken by the majority of its members present at any meeting.

(d) The first Council of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Council including the patrons and advisers, if any shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Council shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

Powers of the  
body corporate

**6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the power—

(a) to purchase, rent, construct, renovate or otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as may be determined



by the Council with a view to promoting the objects of the body corporate;

- (b) enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations from local or foreign sources in cash or kind :

Provided that, the Council shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Council may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and other employees of the body

6 *Sri Balabhivurdhi Wardana Society*  
*(Incorporation) Act, No. 12 of 2024*

corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate;

- (h) to train personnel in Sri Lanka or abroad for the purposes of the body corporate; and
- (i) to do all other things as are necessary or expedient for the proper and effective carrying out of the objects of the body corporate.

Rules of the  
body corporate

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters:—

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by such members;
- (b) the election of office bearers of the Council or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of the various officers, agents and servants of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Council, notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Council and the body corporate;

- (f) the administration and management of the property of the body corporate; and
- (g) generally, the management of the affairs of the body corporate and the accomplishment of its objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner as a rule made under subsection (1) of this section.

(3) Any rule made under subsection (1), shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof.

(4) The members of the body corporate shall at all times be subject to the rules of the body corporate.

**8.** The Council shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

Register of  
members

**9.** (1) The body corporate shall have its own fund and all moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Council to the credit of the body corporate subject to the provisions of section 6 (c).

Fund of the  
body corporate

(2) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under the Act.

**10.** (1) The financial year of the body corporate shall be the calendar year.

Accounts and  
Auditing

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by the Auditor General or a qualified auditor appointed by the Auditor General in terms of the provisions of Article 154 of the Constitution and be certified by the Auditor General or a qualified auditor.

(4) For the purposes of this section “a qualified auditor” means—

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or any other institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Council shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by the Auditor General or a qualified auditor to the Secretary of the Ministry of the Minister assigned the subject of Buddhasasana, Religious and Cultural Affairs and to the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980, before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate Account relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

**12.** All debts and liabilities of the Society existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to, subscriptions and contributions payable to the Society on that day shall be paid to the body corporate for the purposes of this Act.

Debts due by and payable to the Society

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise and all such property shall be held by the body corporate for the purposes of this Act and subject to the rules of the body corporate made under section 7 with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate may hold property movable and immovable

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of moneys and property

**15.** (1) The Seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Council, who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

(2) The seal of the body corporate shall be in the custody of an office bearer of the council as may be decided by the council.

Property  
remaining on  
dissolution

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities, any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

(2) For the purposes of subsection (1), the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the  
rights of the  
Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic, or of any body politic or any other body corporate.

Sinhala text to  
prevail in case of  
inconsistency

**18.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SAMADHI COMMUNITY DEVELOPMENT  
FOUNDATION (INCORPORATION)  
ACT, No. 13 OF 2024**

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*Samadhi Community Development Foundation*  
*(Incorporation) Act, No. 13 of 2024*

[Certified on 19th of February, 2024]

L.D.—O. (Inc. 10/2021)

AN ACT TO INCORPORATE THE SAMADHI COMMUNITY  
DEVELOPMENT FOUNDATION

WHEREAS a Foundation called and known as the “Samadhi Community Development Foundation” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Foundation according to the rules agreed to by its members:

Preamble

AND WHEREAS the said Foundation has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as Follows :—

**1.** This Act may be cited as the Samadhi Community Development Foundation (Incorporation) Act, No. 13 of 2024.

Short title

**2.** (1) From and after the date of commencement of this Act, such and so many persons as now are members of the Samadhi Community Development Foundation (hereinafter referred to as the “Foundation”) and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Samadhi Community Development Foundation” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have and use a common seal and alter the same at its pleasure.

Incorporation  
of the  
Samadhi  
Community  
Development  
Foundation

(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning and for the purpose of the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

2 *Samadhi Community Development Foundation  
(Incorporation) Act, No. 13 of 2024*

General  
objects of the  
body  
corporate

**3.** The general objects for which the body corporate is constituted are hereby declared to be to assist the relevant authorities—

- (a) to organize and maintain educational activities and training programmes for the poor children and young persons who have no educational facilities;
- (b) to establish young farmer’s organisations;
- (c) to conduct lectures, seminars, exhibitions which are conducive to the intellectual development of people; and
- (d) to establish and maintain library facilities,

subject to any applicable written law, to the extent permitted by such law.

Body corporate  
to ensure no  
conflict with  
work of Ministry  
or Department of  
the Government  
or Provincial  
Council

**4.** The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council.

Management of  
affairs of the  
body corporate

**5.** (1) Subject to the provisions of this Act, and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by an Executive Council (hereinafter referred to as the “Council”) consisting of such number of office bearers as may be specified by the rules made under section 7.

(2) (a) The Council of the Foundation holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b), function as an Interim Council of the body corporate until the first Council is appointed or elected in the manner provided for by rules made under section 7.

*Samadhi Community Development Foundation*     3  
*(Incorporation) Act, No. 13 of 2024*

(b) Subject to the provisions of section 7, the Interim Council of the body corporate shall have the power to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Council shall be taken by the majority of its members present at such meeting.

(d) The first Council of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Council including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Council shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

**6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute all such acts and matters as are necessary or desirable for the promotion or furtherance of the objects of the body corporate or any one of them, including the power—

Powers of the  
body Corporate

(a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the

4 *Samadhi Community Development Foundation  
(Incorporation) Act, No. 13 of 2024*

Council with a view to promoting the objects of the body corporate;

- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Council shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Council may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay

*Samadhi Community Development Foundation*     5  
*(Incorporation) Act, No. 13 of 2024*

them such salaries, allowances and gratuities as may be determined by the body corporate in terms of rules made under section 7 of the Act;

- (h) to organize lectures, seminars and conferences with a view to promoting the objectives of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate; and
- (j) generally to do all such acts and things for the achievement of the objects of the body corporate.

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters:—

Rules of the  
body corporate

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members;
- (b) the election of office bearers of the Council or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of various officers, and servants of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate or

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(Incorporation) Act, No. 13 of 2024*

of the Council or notices and agenda of such meetings, the quorum and the conduct of business thereat;

- (e) the qualifications and disqualifications to be a member of the Council and the body corporate;
- (f) the administrations and management of the property of the body corporate; and
- (g) generally the management of the affairs of the body corporate and the accomplishment of its objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof.

(4) Every rule made by the body corporate within three months after its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

*Samadhi Community Development Foundation*     7  
*(Incorporation) Act, No. 13 of 2024*

- 8.** The Council shall maintain a register of members in which name, address and other essential details of the members shall be inscribed. Register of members
- 9.** (1) The body corporate shall have its own Fund. Fund of the body corporate
- (2) All moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Council to the credit of the body corporate subject to the provisions of section 6(c).
- (3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.
- 10.** (1) The financial year of the body corporate shall be the calendar year. Accounts and auditing
- (2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.
- (3) The accounts of the body corporate shall be audited annually by a qualified auditor and be certified by such qualified auditor.
- (4) For the purposes of this section “qualified auditor” means–
- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka, or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or

8 *Samadhi Community Development Foundation  
(Incorporation) Act, No. 13 of 2024*

- (b) a firm Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Council shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by a qualified auditor, to the Secretary of the Ministry of the Minister assigned the subject of Education and to the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

Debts due by  
and payable to  
the Foundation

**12.** All debts and liabilities of the Foundation existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Foundation on that day shall be paid to the body corporate for the purposes of this Act.

Body corporate  
may hold  
property  
movable and  
immovable

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate



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*(Incorporation) Act, No. 13 of 2024*

made under section 7, with power to sell, mortgage, lease, exchange, or otherwise dispose of the same.

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of moneys and property

**15.** (1) The Seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Council who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

(2) The Seal of the body corporate shall be in the custody of an office bearer of the Council as may be decided by the Council.

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

Property remaining on dissolution

(2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.

Saving of the rights of the Republic

10 *Samadhi Community Development Foundation  
(Incorporation) Act, No. 13 of 2024*

Interpretation

**18.** In this Act, unless the context otherwise requires:-

“bank” means a bank licensed under the provisions of the Banking Act, No. 30 of 1988;

“law” shall have the same meaning assigned to such expression in the Constitution of the Democratic Socialist Republic of Sri Lanka; and

“Written law” means any law and subordinate legislation including statutes made by a Provincial Council and regulations made under such statutes, Orders, Proclamations, Rules, By-laws and Regulations made or issued by any body or person having power or authority under any law to make or issue the same.

Sinhala text to prevail in case of inconsistency

**19.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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GOVERNMENT PRINTING, No. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**DASSANA BAUDDHA SANVIDHANAYA  
(INCORPORATION) ACT, No. 14 OF 2024**

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**[Certified on 19th of February, 2024]**

*Printed on the Order of Government*

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*Dassana Bauddha Sanvidhanaya*  
*(Incorporation) Act, No. 14 of 2024*

[Certified on 19th of February, 2024]

L.D.—O. (Inc. 8/2021)

AN ACT TO INCORPORATE THE DASSANA BAUDDHA SANVIDHANAYA

WHEREAS an Organization called and known as the “Dassana Bauddha Sanvidhanaya” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Organization according to the rules agreed to by its members:

Preamble

AND WHEREAS the said Organization has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

**1.** This Act may be cited as the Dassana Bauddha Sanvidhanaya (Incorporation) Act, No. 14 of 2024.

Short title

**2.** (1) From and after the date of commencement of this Act, such and so many persons as now are members of the Dassana Bauddha Sanvidhanaya (hereinafter referred to as the “Organization”) and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Dassana Bauddha Sanvidhanaya” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure.

Incorporation  
of the  
Dassana  
Bauddha  
Sanvidhanaya

(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning and for the purpose of the Voluntary Social Services Organizations (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

2 *Dassana Bauddha Sanvidhanaya*  
(Incorporation) Act, No. 14 of 2024

General  
objects of the  
body  
corporate

3. The general objects for which the body corporate is constituted are hereby declared to be—
- (a) to organize and conduct *Sathara Sathipattana* meditation programmes for Buddhist adherents;
  - (b) to spread in the society, the activity of purification of the mind which is the message of the *Theravada* Buddhism by way of organizing *Dana*, *Seela* and meditation programmes;
  - (c) to make arrangements to provide alms and other requisite to the resident *Bhikkus Dasa Sil Mathas*, *Upasakas* and *Upasikas* of the Bebalagama Nagalen Rajamaha Vihara; and
  - (d) to organize religious and cultural programmes and activities with a view to protecting *Theravada* Buddhism.

Body corporate  
to ensure no  
conflict with  
work of Ministry  
or Department of  
the Government  
or any Provincial  
Council or any  
Local Authority

4. The objects of the body corporate shall be carried out in accordance with written law and in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or any Provincial Council or any Local Authority.

Management of  
affairs of the  
body corporate

5. (1) Subject to the provisions of this Act and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by an Executive Board (hereinafter referred to as the “Board”) consisting of such number of office bearers as may be specified by the rules made under section 7.

(2) (a) The members of the Board of the Organization holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made

under paragraph (b), function as an Interim Board of the body corporate until the first Board is appointed or elected in the manner provided for by rules made under section 7.

(b) Subject to the provisions of section 7, the Interim Board of the body corporae shall have the power to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board shall be taken by the majority of its members present at any meeting.

(d) The First Board of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Board including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Board shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

**6.** Subject to the provisions of this Act, and any other written law, the body corporate shall have the power to do, perform and execute the following acts for the attainment of the objects of the body corporate –

Powers of the  
body corporate

- (a) to purchase, rent, construct, renovate or otherwise obtain lands or buildings which may be required for the purpose of the body corporate and to deal with or dispose of the same as may be determined by the Board with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind:

Provided that, the Board shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate in such manner as the Board may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;



- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate;
- (h) to organize lectures, seminars and conferences with a view to promoting the objectives of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate; and
- (j) to train officers and servants in Sri Lanka or abroad for the purpose of the body corporate.

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for the following matters:—

Rules of the  
body corporate

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members;
- (b) the election of office bearers of the Board or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of the various officers and servants of the body corporate;

6 *Dassana Bauddha Sanvidhanaya*  
(Incorporation) Act, No. 14 of 2024

- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Board or notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Board and the body corporate;
- (f) the administration and management of the property of the body corporate;
- (g) the procedure governing the manner of liaising and co-ordinating with other local and foreign institutions having objects similar to that of the body corporate; and
- (h) generally the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rule made under subsection (1), shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date of such publication.

(4) The members of the body corporate shall at all times be subject to the rules of the body corporate.

Register of  
members

**8.** The Board shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

**9.** (1) The body corporate shall have its own Fund. Fund of the body corporate

(2) All moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall, subject to the provisions of section 6(c), be deposited in one or more banks approved by the Board to the credit of the body corporate.

(3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

**10.** (1) The financial year of the body corporate shall be the calendar year. Accounts and Auditing

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by the Auditor-General or a qualified auditor appointed by the Auditor-General in terms of provisions of Article 154 of the Constitution and be certified by the Auditor-General or such qualified auditor.

(4) For the purposes of this section “qualified auditor” means—

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or

- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Board shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts and a list of all assets and liabilities of the body corporate certified by the Auditor-General or qualified auditor referred to in section 10, to the Secretary of the Ministry of the Minister assigned the subject of Buddha Sasana under Article 44 or 45 of the Constitution, and to the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate, details of all contracts and agreements entered into by the body corporate and the rules of the body corporate made under section 7 during the financial year shall be attached to the report referred to in subsection (1).

Debts due by  
and payable to  
the organization

**12.** All debts and liabilities of the Organization existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Organization on that day shall be paid to the body corporate for the purposes of this Act.

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate may hold property movable and immovable

**14.** The money and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of moneys and property

**15.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Board who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

(2) The seal of the body corporate shall be in the custody of an office bearer of the Board as may be decided by the Board.

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof prohibited from distributing any income or property among its members.

Property remaining on dissolution

(2) Where the requirements of subsection (1) cannot be complied with the property remaining shall be transferred to

10 *Dassana Bauddha Sanvidhanaya*  
*(Incorporation) Act, No. 14 of 2024*

the Public Trustee in terms of the provisions of the Public Trustee Ordinance (Chapter 88) or to the consolidated fund, as the case may be.

(3) The manner of transferring the remaining property under subsection (1) or (2) shall be determined by the members of the body corporate with the approval of the Registrar of the Voluntary Social Service Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980, immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the rights of the Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.

Sinhala text to prevail in case of inconsistency

**18.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, No. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SOCIAL SECURITY CONTRIBUTION LEVY  
(AMENDMENT) ACT, No. 15 OF 2024**

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[Certified on 20th of March, 2024]

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*Social Security Contribution Levy  
(Amendment) Act, No. 15 of 2024*

[Certified on 20th of March, 2024]

L.D.- O. 70/2023

AN ACT TO AMEND THE SOCIAL SECURITY CONTRIBUTION LEVY  
ACT, NO. 25 OF 2022

BE it enacted by the Parliament of the Democratic Socialist  
Republic of Sri Lanka as follows:-

**1.** This Act may be cited as the Social Security  
Contribution Levy (Amendment) Act, No. 15 of 2024. Short title

**2.** Section 4 of the Social Security Contribution Levy  
Act, No. 25 of 2022 (hereinafter referred to as the “principal  
enactment”) is hereby amended by the repeal of subsection  
(1) thereof and the substitution therefor, of the following:- Amendment of  
section 4 of Act,  
No. 25 of 2022

“**4.** (1) Every taxable person, other than a taxable  
person referred to in paragraph (a) of section 2, who,  
carries on or carries out any activity referred to in  
section 2 (in this Act referred to as a “taxable activity”)  
shall be required to be registered under this Act by  
making an application for such purpose to the  
Commissioner-General of Inland Revenue (in this Act  
referred to as the “Commissioner-General”) in the  
specified form-

- (a) not later than fifteen days from the date of  
operation of this Act, in the case of a taxable  
person whose aggregate of the turnover,  
within the twelve months period immediately  
prior to the date of operation of this Act,  
exceeded one hundred and twenty million  
rupees;
- (b) for any quarter commencing prior to January  
1, 2024, not later than fifteen days from the  
date on which the aggregate of the turnover  
for a quarter exceeds or likely to exceed thirty  
million rupees, in the case of a taxable person  
to whom paragraph (a) does not apply;

2 *Social Security Contribution Levy  
(Amendment) Act, No. 15 of 2024*

- (c) for any period commencing on or after January 1, 2024, not later than fifteen days from the date on which the aggregate of the turnover for a quarter exceeds or likely to exceed fifteen million rupees or from the date on which the aggregate of the turnover for a period of consecutive four quarters exceeds or likely to exceed sixty million rupees:

Provided that, a taxable person to whom paragraph (c) applies shall be deemed to have complied with the requirement of registration under this subsection, if such person makes an application for such purpose to the Commissioner-General in the specified form not later than fifteen days from the date of operation of this (Amendment) Act.”.

Amendment of section 5 of the principal enactment

**3.** Section 5 of the principal enactment is hereby amended in subsection (1) thereof as follows:-

- (1) in paragraph (a) thereof, by the substitution for the words and figure “in section 2; or”, of the words and figure “in section 2;”;
  - (2) in paragraph (b) thereof, by the substitution for the words “each immediately preceding four quarters of the relevant quarter does not exceed hundred and twenty million rupees.”, of the words and figures “each immediately preceding four quarters of the relevant quarter prior to January 1, 2024, does not exceed hundred and twenty million rupees; or”;
- and

*Social Security Contribution Levy* 3  
*(Amendment) Act, No. 15 of 2024*

(3) by the addition immediately after paragraph (b) thereof, of the following:-

“(c) for any period commencing on or after January 1, 2024, the aggregate turnover of such registered person for a period of consecutive four quarters does not exceed sixty million rupees.”.

**4.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**VALUE ADDED TAX (AMENDMENT)  
ACT, No. 16 OF 2024**

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**[Certified on 20th of March, 2024]**

*Printed on the Order of Government*

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Published as a Supplement to Part II of the **Gazette of the Democratic  
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*Value Added Tax (Amendment)*  
*Act, No. 16 of 2024*

[Certified on 20th of March, 2024]

L.D.-O. 74/2023

AN ACT TO AMEND THE VALUE ADDED TAX ACT, NO. 14 OF 2002

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- |  |  |
|--|--|
| <p><b>1.</b> This Act may be cited as the Value Added Tax (Amendment) Act, No.16 of 2024.</p>  | Short title                                  |
| <p><b>2.</b> Section 2 of the Value Added Tax Act, No. 14 of 2002 (hereinafter in this Act referred to as the “principal enactment”) is hereby amended, in sub-paragraph (v) of subsection (1) of that section as follows: -</p> <p>(1) by the substitution in item (vii), for the words and figures “at the rate of twelve <i>per centum</i> (of which the tax fraction is 3/28); and”, of the words and figures “at the rate of twelve <i>per centum</i> (of which the tax fraction is 3/28);”;</p> <p>(2) by the substitution in item (viii), for the words and figures “for any taxable period commencing on or after October 1, 2022 at the rate of fifteen <i>per centum</i> (of which the tax fraction is 3/23).”, of the words and figures “for any taxable period commencing on or after October 1, 2022 but ending on December 31, 2023 at the rate of fifteen <i>per centum</i> (of which the tax fraction is 3/23); and”;</p> <p>(3) by the addition immediately after the item (viii) of the following new item:-</p> <p style="padding-left: 40px;">“(ix) for any taxable period commencing on or after January 1, 2024 at the rate of eighteen <i>per centum</i> (of which the tax fraction is 9/59).”.</p> | Amendment of section 2 of Act, No.14 of 2002 |

Amendment of  
section 10 of  
the principal  
enactment

**3.** Section 10 of the principal enactment is hereby amended in subsection (1) of that section as follows:-

(1) by the substitution in paragraph (vii), for the words and figures “(vii) on or after October 1, 2022,” of the words and figures “(vii) on or after October 1, 2022 but on or before December 31, 2023,”;

(2) by the addition immediately after paragraph (vii), of the following paragraph:-

“(viii) on or after January 1, 2024, carries on or carries out any taxable activity in Sri Lanka shall be required to be registered under this Act, if-

(a) at the end of any taxable period, the total value of the taxable supplies of goods or services or goods and services of such person, made in Sri Lanka in that taxable period has exceeded fifteen million rupees; or

(b) in the twelve months period then ending, the total value of the taxable supplies of goods or services or goods and services of such person, made in Sri Lanka has exceeded sixty million rupees; or

(c) at any time, there are reasonable grounds to believe that the total value of the taxable supplies of goods or services or goods and services of such person, made in

Sri Lanka, in the succeeding taxable period, is likely to exceed fifteen million rupees or in the succeeding twelve months period is likely to exceed sixty million rupees.”;

- (3) in the third proviso to that subsection, by the substitution for the words “comes into operation.” of the following:-

“comes into operation:

Provided further, for the purposes of paragraph (viii), the requirement for the registration shall arise from the date on which this (Amendment) Act comes into operation.”.

- 4.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. Sinhala text to prevail in case of inconsistency



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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SECURED TRANSACTIONS  
ACT, No. 17 OF 2024**

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**[Certified on 01st of April, 2024]**

*Printed on the Order of Government*

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*Secured Transactions Act, No. 17 of 2024*

[Certified on 01st of April, 2024]

**L. D. - O. 47/2015**

**AN ACT TO PROVIDE FOR AN INSTITUTIONAL FRAMEWORK FOR THE REGULATION OF SECURED TRANSACTIONS IN MOVABLE PROPERTY BY THE ESTABLISHMENT OF THE SECURED TRANSACTIONS REGISTRATION AUTHORITY; TO SET OUT THE POWERS, DUTIES AND FUNCTIONS OF SUCH AUTHORITY; TO PROVIDE FOR THE DETERMINING OF PRIORITIES AMONGST CREDITORS HAVING COMPETING SECURITY RIGHTS IN THE MOVABLE PROPERTY OF THEIR DEBTORS; TO SET OUT THE RIGHTS AND DUTIES OF PARTIES TO SECURITY AGREEMENTS; TO PROVIDE FOR THE ESTABLISHMENT AND MAINTENANCE OF A REGISTER OF SECURITY RIGHTS IN MOVABLE PROPERTY; TO REPEAL THE SECURED TRANSACTIONS ACT, NO.49 OF 2009; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.**

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

1. (1) This Act may be cited as the Secured Transactions Act, No. 17 of 2024.

Short title and date of operation

(2) The provisions of this Act, other than the provisions of this section, shall come into operation on such date as the Minister may appoint by Order published in the *Gazette* (in this Act referred to as the “appointed date”).

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

**PART I****PRELIMINARY**

- Application of the Act
- 2.** Subject to the provisions of section 3, the provisions of this Act shall apply-
- (a) in respect of every transaction that in substance creates a security right, irrespective of its form and without having regard to the type of asset or the person who has the title to the collateral that is the subject of such security right, including but without limiting to,-
    - (i) chattel mortgage, conditional sale, debenture, fixed charge, floating charge, pledge, trust indenture or trust receipt; and
    - (ii) an assignment, consignment, lease or transfer of chattel paper, where payment or performance of an obligation is secured;
  - (b) to a transfer of an account or chattel paper, even where such transfer may not secure payment or performance of an obligation; and
  - (c) to a lease for a term over one year, even where such lease may not secure payment or performance of an obligation.
- Exemption from the application of the Act
- 3.** (1) Unless otherwise provided for in this Act, the provisions of this Act shall not apply to-
- (a) any lien granted by or under any law unless otherwise provided, and to any non-consensual lien that is recognized by courts;

- (b) the transfer of an interest or claim in or under a contract of annuity or a policy of insurance, other than the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation, for loss or damage caused to a collateral;
- (c) the assignment or transfer of an interest in the present or future wages, salary, emolument or commission or any other form of payment for any work undertaken or services rendered, the assignment or transfer of which is prohibited by law;
- (d) the transfer of an unearned right to a payment under a contract, to a transferee who is to perform the transferor's obligations under the contract;
- (e) the creation or the transfer of an interest in any immovable property, including a mortgage, charge or lease of any such property, other than-
  - (i) an interest in a fixture; or
  - (ii) an assignment of a right to payment under a mortgage, charge or lease, where the assignment does not convey or transfer the assignor's interest in the immovable property;
- (f) the sale of accounts, chattel papers or goods as part of a sale of the business out of which they arose, except where the seller remains in control of the business after the sale;

- (g) the transfer of accounts made solely for the purpose of facilitating the collection of accounts for the transferor;
- (h) intermediated securities;
- (i) a transaction that is subject to the Pawnbrokers Ordinance (Chapter 90);
- (j) the payments arising from or under financial contracts governed by any agreement pertaining to the settlement of such payment, other than any receivables owed on the termination of all outstanding transactions; and
- (k) the transfer of an interest in goods held by a debtor where the goods are registered under the Motor Traffic Act (Chapter 203), the Sri Lanka Ports Authority Act, No. 51 of 1979, the Merchant Shipping Act, No. 52 of 1971 and the Civil Aviation Authority of Sri Lanka Act, No. 34 of 2002.

(2) For the purpose of paragraph (h) of subsection (1), “intermediated securities” means securities credited to a securities account and rights or interests in securities resulting from the credit of securities to a securities account.

Attaining  
perfection

**4.** A security right shall be considered to have been perfected, when-

- (a) it has been validly created in terms of Part III of this Act; and
- (b) all measures required to attain perfection as provided for by this Act, have been completed.

Subordination of  
unperfected  
security rights

**5.** (1) An unperfected security right in collateral, shall be subordinate to-

- (a) the interest of a perfected security right;
  - (b) the interest of a creditor who has registered a notice of judgment with the Registrar, where such right was unperfected at the time such notice was registered; and
  - (c) the right of any person under any law, whether statutory or otherwise, to participate in a distribution of movable property, subject to the interest of a creditor referred to in paragraph (b).
- (2) An unperfected security right in-
- (a) collateral, shall not be effective against-
    - (i) an assignee in any insolvency proceedings, if the security right is unperfected at the time of the bankruptcy; or
    - (ii) a liquidator appointed under the Companies Act, No. 07 of 2007, if the security interest is unperfected when the winding up order is made;
  - (b) chattel paper, documents of title or goods shall not be effective against a transferee thereof, if the transferee-
    - (i) acquires the interest in the collateral under a transaction that does not secure payment or performance of an obligation;
    - (ii) gives value; and
    - (iii) receives delivery of the collateral without knowledge of the security right; and

- (c) tangibles other than accounts shall not be effective against a transferee thereof, if the transferee-
  - (i) acquires the interest in the collateral under a transaction that does not secure payment or performance of an obligation; and
  - (ii) gives value without knowledge of the security right.

## **PART II**

### **ESTABLISHMENT OF THE SECURED TRANSACTIONS REGISTRATION AUTHORITY**

Establishment  
of the Secured  
Transactions  
Registration  
Authority

**6.** (1) There shall be established an authority called the Secured Transactions Registration Authority (in this Act referred to as the “Authority”).

(2) The Authority shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in its corporate name.

Object of the  
Authority

**7.** The object of the Authority shall be to promote the interests of the national economy by facilitating and participating in the regulation of secured transactions in movable property, in compliance with the provisions of this Act.



- 8.** The duties and functions of the Authority shall be-
- (a) to register security rights of movable property under Part VI of this Act;
  - (b) to register the rights of judgment creditors;
  - (c) to determine the policies related to the registration system maintained by the Bureau;
  - (d) subject to the provisions of this Act, to determine the fees or any other charges to be levied for services rendered by the Authority; and
  - (e) to perform and discharge such duties and functions that are specifically assigned to the Authority by or under this Act.

Duties  
and functions  
of the  
Authority

**9.** The Authority shall exercise such powers as may become necessary or appropriate in order to achieve its object and for the effective performance and discharge of the duties and functions assigned to it by section 8 of this Act.

Powers  
of the  
Authority

**10.** (1) The administration and management of the affairs of the Authority shall be vested in a Board of Directors (in this Act referred to as the “Board”), consisting of the following members:-

Board  
of Directors  
of the  
Authority

- (a) the Governor of the Central Bank of Sri Lanka, or a person nominated by him as his representative, who shall be the Chairperson of the Board;
- (b) the Secretary to the Treasury or a person nominated by him as his representative;

- (c) the Chairman and a Director of the Bureau or persons nominated by them as their representatives; and
- (d) the Registrar of the Authority appointed under section 16 of this Act.

(2) The Board shall, for the purpose of administering and managing the affairs of the Authority, exercise, perform and discharge the powers, duties and functions conferred on, assigned to or imposed on, the Authority by this Act.

(3) The Registrar of the Authority shall be the Secretary to the Board and shall be responsible for maintaining a record of the minutes of all meetings of the Board.

Meetings of the Board

**11.** (1) The Board shall meet at least once in every quarter and the Chairman shall preside at all meetings of the Board. In the absence of the Chairman from any meeting of the Board, the members present shall elect a member from among themselves, to preside at such meeting.

(2) The *quorum* for any meeting of the Board shall be three members and the Board shall regulate the procedure for the conduct of its meetings and the transaction of business at such meetings.

(3) All questions for decision at any meeting of the Board shall be decided by the majority vote of the members present at such meeting. In the case of an equality of votes, the Chairman or the member presiding at the meeting, shall, in addition to his vote, have a casting vote.

(4) Any act, proceeding or decision of the Board shall not be invalidated by reason only of the existence of any vacancy among its membership or any defect in the nomination of any person who is nominated to represent a member of the Board.

Seal of the Authority

**12.** (1) The seal of the Authority shall be as determined by the Board and may be altered in such manner as may be determined by it.

(2) The seal of the Authority shall be in the custody of the Secretary to the Board.

(3) The seal of the Authority shall not be affixed to any instrument or document, except with the sanction of the Board and in the presence of the Chairman and one other member of the Board, who shall sign such instrument or document in token of their presence.

(4) The Secretary to the Board shall maintain a register of all the instruments and documents to which the seal of the Authority has been affixed.

**13.** (1) The Authority shall have its own Fund.

Fund  
of the  
Authority

(2) There shall be credited to the Fund of the Authority-

- (a) all such sums of money as may be voted from time to time by Parliament for the use of the Authority;
- (b) all such sums of money received as fees or charges imposed in respect of services rendered by the Authority; and
- (c) all such sums of money as may be received by the Authority by way of loans, donations, gifts and grants from any source whatsoever.

(3) There shall be paid out of the Fund of the Authority all such sums of money required to defray the expenditure incurred by the Authority in the exercise, performance and discharge of its powers, duties and functions under this Act.

**14.** (1) The financial year of the Authority shall be the calendar year.

Financial year  
and the audit of  
accounts

(2) The Board shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other financial transactions of the Authority.

(3) The provisions of Article 154 of the Constitution relating to the audit of accounts of public corporations, shall apply to and in respect of the audit of accounts of the Authority.

Application of  
Part II of the  
Finance Act, No.  
38 of 1971

**15.** The provisions of Part II of the Finance Act, No. 38 of 1971 shall, *mutatis mutandis*, apply to and in respect of the financial control and maintenance of accounts of the Authority.

The Registrar

**16.** (1) The Minister shall appoint a person having such qualifications as may be prescribed, to be the Registrar of the Authority for the purposes of this Act (in this Act referred to as the “Registrar”), who shall be the Chief Executive Officer of the Authority.

(2) The Registrar shall be responsible for the general supervision of all matters connected with the registrations required to be carried out under this Act and for the exercise, performance and discharge of all the powers, duties and functions assigned to him by and under this Act. He shall also be responsible for the administrative control of the officers and employees of the Authority.

(3) The Registrar shall not be liable for anything done by him in good faith, in the exercise, performance or discharge of any power, duty or function assigned to him by or under this Act.

(4) The Minister may, for reasons assigned therefor, remove from office the Registrar appointed under subsection (1).

(5) The Registrar may, with the written approval of the Board and whenever he considers it necessary to do so, delegate in writing to any officer of the Authority, any power, duty or function assigned to him by or under this Act and such officer shall exercise, perform or discharge such power, duty or function, subject to the general or special direction and control of the Registrar.

17. (1) The Authority may appoint such officers and employees as it considers necessary for the efficient exercise, performance and discharge of its powers, duties and functions as may be assigned by or under this Act.

Staff  
of the  
Authority

(2) At the request of the Authority, any officer in the public service may, with the consent of that officer and the Secretary to the Ministry under which that officer is employed and the Public Service Commission, be temporarily appointed to the staff of the Authority for such period as may be determined by the Authority, or with like consent, be permanently appointed to such staff.

(3) Where any officer in the public service is temporarily appointed to the staff of the Authority, the provisions of section 14(2) of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to and in relation to such officer.

(4) Where any officer in the public service is permanently appointed to the staff of the Authority, the provisions of section 14(3) of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to and in relation to such officer.

(5) Where the Authority employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service with the Authority by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

(6) At the request of the Authority, any officer of Provincial Public Service may, with the consent of that officer and the relevant Provincial Public Service Commission, be temporarily appointed to the staff of the Authority for such period as may be determined by the Authority, or with like consent, be permanently appointed to such staff.

Remunerations  
to be paid  
to the Registrar  
and officers  
and employees  
of the  
Authority

**18.** The Registrar and all other officers and employees of the Authority shall be paid such remuneration and other allowances, in such manner and at such rates as may be determined by the Minister with the concurrence of the Minister assigned the subject of Finance and shall be subject to such terms and conditions of service, as may be determined by the Board, by rules made in that behalf.

### **PART III**

#### **CREATION OF SECURITY RIGHTS AND RIGHTS OF PARTIES**

Freedom  
of contract

**19.** (1) Except as otherwise provided for in this Act or in any other law, a security agreement shall be effective according to its terms between the parties to the agreement and against a third party.

(2) A perfected security right in proceeds shall be enforceable against a third party, irrespective of whether or not the security agreement contains a description of the proceeds.

(3) Where a security agreement is in writing, the secured party shall deliver a copy of the written agreement to the debtor within ten days of its execution and if the secured party fails to deliver a copy after a request is made by the debtor, a Magistrate's Court shall have the power, upon an application made in that behalf by the debtor, to make an order for the delivery of such copy to the debtor.

Creation  
of a security  
right

**20.** (1) A security right including a security right in the nature of a floating charge, attaches when-

- (a) the value is given;
- (b) the debtor has rights in the collateral or the power to transfer rights in the collateral to a third party; and

- (c) (i) the debtor has signed an agreement that contains a description of the collateral sufficient to enable it to be identified; or
- (ii) the collateral is in the possession of the secured party or any other person on behalf of the secured party.

(2) Notwithstanding the provisions of subsection (1), where the parties to the security agreement have specifically agreed to postpone the time of creation, the security right shall attach at the agreed time.

(3) A security right shall not be enforceable against a third party, unless it has attached in the manner provided for in subsection (1).

**21.** (1) Subject to the provisions of subsection (2), a security agreement may cover any property acquired after entering into such agreement:

Security right  
in  
movable  
property  
acquired after  
the agreement

Provided that a security right in property acquired after entering into an agreement shall not become an enforceable security right, until the debtor acquires a right to such property.

(2) A security right shall not be created under a clause in a security agreement covering any property acquired after entering into such agreement-

- (a) in respect of crops that become such crops more than one year after the security agreement has been entered into, except that a security right in crops that is given in conjunction with a lease, purchase or mortgage of immovable property may be created, if so agreed, in crops grown in the property concerned during the term of such lease, purchase or mortgage, as the case may be; or

- (b) in respect of consumer goods other than accessions, unless-
  - (i) the debtor acquires rights in them within ten days of the secured party giving value; or
  - (ii) the debtor grants a security right in his personal assets to secure a personal guarantee, for a non-consumer transaction.

Future advances      **22.** A security agreement may contain a provision to secure future advances, provided that a maximum amount of money that may be so advanced is specified in the security agreement.

Agreement not to assert defence against an assignee      **23.** An agreement by a debtor not to assert against an assignee any claim or defence that such debtor has against the debtor's seller or lessor, shall be enforceable by the assignee who takes such assignment for value in good faith and without notice, except as to any defences that may be asserted against the holder in due course of a negotiable instrument under the Bills of Exchange Ordinance (Chapter 82).

Application of the Sale of Goods Ordinance      **24.** Where a seller retains an acquisition security right in any goods sold-
 

- (a) the law relating to contracts of sale including the Sale of Goods Ordinance (Chapter 84) shall govern the sale and any disclaimer, limitation or modification of the seller's conditions and warranties; and
- (b) except as provided for in section 23, the conditions and warranties in a sale agreement shall not be affected by any security agreement.



**25.** Where a security agreement provides for a secured party to accelerate payment or performance in the event that the secured party considers that the collateral is in jeopardy or that the secured party is insecure, the security agreement shall be construed to mean that the secured party has the right to do so, only in the event that the secured party in good faith believes and has reasonable grounds to believe, that the prospect of payment or performance is or is about to be impaired or that the collateral is or is about to be placed in jeopardy.

Acceleration clauses

**26.** (1) A secured party shall exercise reasonable care in the custody and preservation of any collateral in the secured party's possession and unless otherwise agreed upon, in the case of a chattel paper or an instrument, reasonable care shall include taking necessary steps to preserve the rights against prior parties.

Custody and preservation of collateral by a secured party

(2) Unless otherwise agreed upon, if a collateral is in the possession of a secured party-

- (a) reasonable expenses, including the cost of insurance and payment of taxes or other charges incurred in obtaining and maintaining possession of the collateral and its preservation, shall be chargeable to the debtor and shall be secured by the collateral;
- (b) any risk, loss or damage, except if caused due to the negligence of the secured party, shall be on the debtor, to the extent of any deficiency in any insurance coverage;
- (c) the secured party may hold as additional security any increase or profits, except money received from the collateral, and any money so received unless remitted to the debtor, shall be applied forthwith in the reduction of the obligation secured; and

- (d) the secured party shall keep the collateral in a manner that it can be identifiable, however, fungible collateral may be commingled.

(3) A secured party shall be liable for any loss or damage caused by such party's –

- (a) failure to meet any obligation imposed by subsection (1) or subsection (2), but shall not lose the security right in the collateral; and
- (b) use of the collateral otherwise than as authorized by subsection (4).

(4) A secured party may use the collateral-

- (a) in the manner and to the extent provided for in the security agreement;
- (b) for the purpose of preserving the collateral or its value; or
- (c) in accordance with any order made by a court.

Obtaining  
information  
about the  
security  
agreement

**27.** (1) The debtor or an authorized representative of the debtor may, by notice in writing given to the secured party, require such secured party to furnish to such person-

- (a) a statement in writing of the amount of the indebtedness and the terms of payment thereof, as of the date specified in the notice;
- (b) a statement in writing approving or correcting as of the date specified in the notice, a statement of the collateral or part thereof as specified in a list attached to such notice;

- (c) a statement in writing approving or correcting as of the date specified in the notice, a statement of the amount of indebtedness and of the terms of payment thereof; or
- (d) a true copy of the security agreement.

(2) The provisions of subsection (1) shall not apply where the secured party is the trustee under a trust indenture.

(3) If the secured party claims a security right in all of the collateral or in all of a particular type of collateral owned by the debtor, the secured party may indicate such fact, in lieu of approving or correcting the list of such collateral required to be attached to the notice under paragraph (b) of subsection (1).

(4) Subject to the payment of any fee required under subsection (6), the secured party shall respond to a notice issued under subsection (1) within fifteen days of receiving the same, and if the secured party without a reasonable excuse-

- (a) fails to respond within the fifteen days period, the secured party shall be liable for any loss or damage caused thereby to any person who is entitled to receive information under that subsection; or
- (b) gives any response which is incomplete or incorrect, the secured party shall be liable for any loss or damage caused thereby to any person who may reasonably be expected to rely on such response.

(5) Where a person who receives a notice under subsection (1) no longer has an interest in the obligation or property of the debtor that is the subject matter of the notice, such person shall, within fifteen days of the receipt of such notice,

disclose the name and address of the immediate successor in such interest, and if known, the latest successor to such interest. If such person fails to make such disclosure without a reasonable excuse, the person making the request shall, in addition to any other remedy that may be provided for by this Act, be entitled to apply to court under section 28, for an order to comply with the request.

(6) A person to whom a request is made under this section, may require the payment of a prescribed fee in advance, for each request made, however, a debtor shall be entitled to a reply free of charge, once in every six months.

Power of court to issue an order of compliance

**28.** (1) On an application made in that behalf, a Magistrate's Court having jurisdiction shall have the power to make an order-

- (a) requiring the secured party or the person receiving a notice under subsection (1) of section 27, to comply with the request made by such notice;
- (b) exempting the secured party either wholly or partly from complying with the notice given under subsection (1) of section 27;
- (c) extending the time granted for complying with the notice issued under paragraph (a) of subsection (1) of section 27; or
- (d) as it considers just in the circumstances.

(2) Any person who fails to comply with an order made by a Magistrate under subsection (1) commits an offence under this Act and shall on conviction be liable to a fine not exceeding rupees five hundred thousand or to imprisonment for a period not exceeding one year or to both such fine and imprisonment.

**PART IV**  
**PERFECTION**

**29.** (1) Subject to the provisions of section 4 of this Act, possession of the collateral by the secured party or by any other person on behalf of the secured party, shall perfect a security right in-

Perfection of a security right

- (a) a chattel paper;
- (b) goods;
- (c) an instrument;
- (d) a certified security; and
- (e) money.

(2) The registration of a security right under Part VI of this Act, shall perfect any type of collateral.

(3) For the purposes of subsection (1), the collateral shall be actually delivered into the possession and custody of the secured party or his authorized representative, and continue to remain actually, ostensibly and *bona fide* in such possession, until such time as the secured party seeks to enforce its rights in respect of such collateral.

**30.** (1) A security right which is perfected by possession in-

Temporary perfection

- (a) an instrument or a certificate that a secured party delivers to the debtor, for the purpose of-
  - (i) a sale or an exchange;
  - (ii) presentation, collection or renewal;  
or
  - (iii) registration of a transfer; or
- (b) a negotiable document of title or goods held by a bailee that is not covered by a

negotiable document of title, which document of title or goods the secured party makes available to the debtor, for the purpose of-

- (i) a sale or an exchange;
- (ii) loading, unloading, storing, shipping or trans-shipping; or
- (iii) manufacturing, processing, packaging or dealing with goods in any other manner, prior to their sale or exchange,

shall remain perfected, during the first ten days after the collateral comes under the control of the debtor.

(2) On the expiry of the period of ten days referred to in subsection (1), the security right concerned shall become subject to the provisions of this Act that provide for the perfecting of a security right.

Perfection as to proceeds

**31.** (1) Where dealing with a collateral gives rise to proceeds, the security right in such collateral-

- (a) continues, unless the secured party expressly or impliedly authorizes the dealing with the collateral free of the security right; and
- (b) extends automatically to the proceeds, even though it may not be covered by the security agreement.

(2) If a secured party enforces a security right against both the collateral and the proceeds, the amount secured by the security right in the collateral and the proceeds shall be limited to the market value of the collateral at the date of the dealing.

(3) A security right in proceeds shall be a continuously perfected security right, if the interest in the collateral was perfected when the proceeds arose.

(4) Where a security right in the original collateral is perfected otherwise than by registration, the security right in the proceeds becomes unperfected ten days after the debtor acquires an interest in the proceeds, unless the security right in the proceeds is perfected under this Act.

**32.** (1) Subject to the provisions of section 4 of this Act, a security right in goods in the possession of a bailee who has issued a negotiable document of title covering it, is perfected by perfecting a security right in the document, and any security right in such goods otherwise perfected while they are so covered, shall become subject to the perfected security right in such negotiable document of title.

Perfection where the goods are held by a bailee

(2) A security right in collateral in the possession of a person other than the debtor, the debtor's agent or a bailee referred to in subsection (1), may be perfected by-

- (a) the issuance of a document of title in the name of the secured party;
- (b) the possession on behalf of the secured party; or
- (c) registration.

**33.** (1) Where a debtor sells or leases goods that are subject to a security right, the security right reattaches to the goods, if-

Perfection and priority of returned, seized or repossessed goods

- (a) the buyer or lessee has taken the goods free of the security right, under paragraph (a) of subsection (1) of section 31 or subsection (1) or (2) of section 34; and
- (b) the obligation secured remains unpaid or unperformed.

(2) Where a security right in goods reattaches in the circumstances referred to in subsection (1), any question as to-

- (a) whether or not the security right in the goods is perfected; and
- (b) the time of its perfection or registration,

shall be determined as if the goods had not been sold or leased.

(3) Where a sale or lease of goods creates an account or chattel paper and the account or chattel paper is transferred to a secured party and the goods are returned or repossessed by the seller or the lessor, the transferee of the account or the chattel paper shall have a security right in such goods.

(4) A security right in goods arising under subsection (3) is perfected if the security right in the account or the chattel paper was also perfected, but becomes unperfected on the expiry of ten days after the return or repossession of the goods, unless the transferee registers a financing statement in respect of the security right or takes possession of the goods, before the expiry of that period.

(5) If a transferee of an account obtains a perfected security right in goods under subsections (3) and (4), for the purpose of determining the transferee's priority as to the goods, the transferee shall be deemed to have perfected a security right in the goods at the time the transferee's security right in the account was perfected.

(6) Where a transferee of chattel paper obtains a perfected security right in goods under subsections (3) and (4), then as between-

- (a) the transferee and the holder of a perfected security right that attached under subsection (1), the person who had priority to the chattel paper shall also have priority to the goods; and
- (b) the transferee and a person other than the holder of a perfected security right that



attached under subsection (1), for the purpose of determining the transferee's priority as to the goods, the transferee shall be deemed to have perfected a security right in the goods at the time the transferee's security right in the chattel paper was perfected.

**34.** (1) A buyer of goods from a seller who sells the goods in the ordinary course of business, takes them free of any security right therein given by the seller, even though it is perfected and the buyer knows of it, unless the buyer was also aware that the sale constituted a breach of the security agreement.

Transactions in the ordinary course of business

(2) The provisions of subsection (1) shall become applicable, whether or not-

- (a) the buyer took possession of the goods;
- (b) the seller was in possession of the goods at any time;
- (c) the title to the goods passed to the buyer; or
- (d) the seller took a security right in the goods.

(3) In a lease of goods by a lessor who leases goods in the ordinary course of business, the lessee holds the goods to the extent of the lessee's rights under the lease free from any security right therein given by the lessor, unless the lessee was also aware that the lease constituted a breach of the security agreement.

(4) The provisions of subsection (3) applies, whether or not-

- (a) the lessee took possession of the goods; or

- (b) the lessor was in possession of the goods at any time.

(5) A purchaser of chattel paper who takes possession of it in the ordinary course of business and gives new value, has priority over any security right in it that-

- (a) was perfected by registration, if the purchaser was not aware at the time of taking possession that the chattel paper was subject to a security right; or
- (b) has attached to proceeds of an inventory under section 31, whatever the extent of the purchaser's awareness.

(6) A purchaser of collateral that is an instrument or negotiable document of title, has priority over any security right therein perfected by registration or temporarily perfected under section 31 or 32, if the purchaser-

- (a) gave value for the collateral purchased;
- (b) purchased the collateral without knowledge that it was subject to a security right; and
- (c) has taken possession of the collateral.

Negotiable  
instruments, &c

**35.** The rights of a person who is –

- (a) a holder in due course of a bill, note or cheque within the meaning of the Bills of Exchange Ordinance (Chapter 82); or
- (b) a transferee from the debtor of money,

shall not be affected by any provisions of this Act.

**PART V**

**PRIORITIES**

**36.** (1) The following general rules of priority shall apply to security rights in the same collateral:-

General rules governing priority

- (a) priority between security rights perfected by registration shall be determined by the date of registration, regardless of the date of perfection;
- (b) priority between a security right perfected by registration and a security right perfected by possession shall be determined by whether the financing statement was registered before possession; and
- (c) priority between unperfected security rights shall be determined by the date of the creation of such security rights.

(2) For the purpose of subsection (1)-

- (a) a continuously perfected security right shall be treated at all times as if perfected by the method by which it was originally perfected; and
- (b) the time of registration, possession or perfection of a security right in the original collateral, shall be the time of such registration, possession or perfection of the security right in its proceeds.

(3) The transferee of a security right shall acquire the same priority with respect to the security right as the transferor had, at the time of the transfer.

(4) Subject to the provisions of subsection (5), the priority which a security right has under subsection (1) shall also apply to all future advances.

(5) A perfected security right has priority over the interest of a judgment creditor referred to in paragraph (b) of subsection (1) of section 5, only to the extent of-

- (a) advances made before the judgment creditor registers the notice of judgment referred to in that paragraph;
- (b) advances made before the secured party has knowledge of the registration of the notice of judgment referred to in that paragraph;
- (c) advances made in accordance with a statutory requirement or a legally binding obligation owing to a person other than the debtor, entered into by the secured party before acquiring the knowledge referred to in paragraph (b); and
- (d) reasonable costs and expenses incurred by the secured party for the protection, preservation, maintenance or repair of the collateral.

Priority of  
acquisition  
security rights

**37.** (1) An acquisition security right in inventory or its proceeds shall have priority over any other security right in the same collateral given by the same debtor, if -

- (a) the acquisition security right was perfected at the time the debtor obtained possession of the inventory or a third party at the request of the debtor obtained or held possession of the inventory;
- (b) before the debtor receives the possession of the inventory, the secured party of the acquisition security right gives notice in writing to every other secured party who has, before the date of registration by the secured party of the acquisition security

right, registered a financing statement that describes the collateral as or as including-

- (i) items or types of inventory, all or some of which are the same as the items or types of inventory that will be subject to the acquisition security right;
  - (ii) inventory; or
  - (iii) accounts; and
- (c) the notice referred to in paragraph (b) states that the person giving it has or expects to acquire an acquisition security right in inventory of the debtor, describing such inventory by item or type.

(2) Except where the collateral or its proceeds is either inventory or its proceeds, an acquisition security right in collateral or its proceeds shall have priority over any other security right in the same collateral given by the same debtor, if the acquisition security right-

- (a) in the case of a collateral other than an intangible collateral, was perfected before or within ten days after the debtor obtained possession of the collateral as the debtor, or a third party at the request of the debtor obtained or held possession of the collateral, whichever occurs earlier; or
- (b) in the case of an intangible collateral, was perfected before or within ten days after the creation of the acquisition security right in the intangible collateral.

(3) If more than one acquisition security right is given priority due to the application of the provisions of subsections (1) and (2), the acquisition security right, if any,

of the seller, shall have priority over any other acquisition security right given by the same debtor.

Priority of items for materials and services

**38.** A lien on goods that arises as a result of providing in the ordinary course of business, materials or services in respect of the goods, shall have priority over a perfected or unperfected security right in such goods, unless the lien arises under any law which provides that it shall not have such priority.

Security right in crops

**39.** (1) A perfected security right in crops or their proceeds given not more than six months prior to such crops becoming growing crops by planting or otherwise in order to enable the debtor to produce the crops during the production season, shall have priority over an earlier perfected security right in the same collateral, to the extent that the earlier interest secures obligations that were due more than six months prior to the crops becoming growing crops by planting or otherwise, even though the person giving value had notice of the earlier security right.

(2) Where more than one perfected security right is given priority due to the application of subsection (1), each shall rank equally according to the ratio that the amount advanced with respect to each bears to the total amount advanced.

Security right in fixtures

**40.** (1) A security right in goods that attached-

- (a) before the goods became a fixture, shall have priority as to such fixture, over the claim of any person who has an interest in the immovable property; or
- (b) after the goods became a fixture, shall have priority as to the fixture over the claim of any person who subsequently acquired an interest in the immovable property, but not over any person who had a registered interest in the immovable property at the

time the security right in the goods attached and who has not consented in writing to the security right or disclaimed an interest in the fixture.

(2) A security right referred to in subsection (1), shall be subordinate to the interest of-

- (a) a subsequent purchaser for value of an interest in the immovable property; or
- (b) a creditor with a prior encumbrance of record on the immovable property, to the extent that the creditor makes subsequent advances,

if the subsequent purchase or the subsequent advance under a prior encumbrance of record is made or contracted without the knowledge of the security right and prior notice of it being registered in accordance with Chapter III of the Registration of Documents Ordinance (Chapter 117).

(3) Where a secured party has an interest in a fixture that has priority over the claim of a person having an interest in the immovable property, the secured party may, on default and subject to the provisions of this Act relating to default, remove the fixture from the immovable property if, unless otherwise agreed, the secured party reimburses any person having an encumbrance or the owner of the immovable property who is not the debtor, for the cost of repairing any physical injury, excluding diminution in value of the immovable property, caused by the absence of the fixture or by the necessity for replacement.

(4) A person who is entitled to any reimbursement under subsection (3) may refuse permission for the removal of the fixture, until the secured party has given adequate security for the reimbursement.

(5) A secured party who has the right to remove a fixture from an immovable property shall serve on each person whose name appears in the records maintained by the relevant

Land Registry Office as having an interest in such immovable property, a notice in writing of the secured party's intention to remove the fixture. Such notice shall contain the following information:-

- (a) the name and address of the secured party;
- (b) a description of the fixture to be removed, which is sufficient to enable it to be identified;
- (c) the amount required to satisfy the obligation secured by the security right of the secured party;
- (d) a description of the immovable property to which the fixture is affixed, which is sufficient to enable the immovable property to be identified; and
- (e) a statement of the intention to remove the fixture unless the amount secured is paid on or before a date specified in the notice, which date shall be not less than ten days after the service of the notice.

(6) The notice referred to in subsection (5) shall be served, by sending the same by registered post, to the address of the person to be notified as it appears in the records of the appropriate Registry, or in the case of a company, at its registered office or to the address of an attorney authorized to accept any notice on its behalf.

(7) A person having an interest in any immovable property that is subject to a security right in a fixture may, before such fixture has been removed from such property by the secured party in accordance with the provisions of subsection (3), retain the fixture, upon payment to the secured party of the amount owing in respect of the security right having priority over such person's interest.



**41.** (1) Subject to the provisions of subsections (2) and (3) and of section 42, a security right in goods that attached- Security right in accession

- (a) before such goods became an accession, shall have priority as to the accession, over the claim of any person in respect of the whole; and
- (b) after the goods became an accession, shall have priority as to the accession, over the claim of any person who subsequently acquired an interest in the whole, but not over the claim of any person who had an interest in the whole of the goods on the date the security right attached to the accession, and who has not consented in writing to the security right in the accession or disclaimed an interest in the accession, as part of the whole.

(2) A security right referred to in subsection (1) shall be-

- (a) subordinate to the interest of-
  - (i) a subsequent buyer of an interest in the whole of the goods; and
  - (ii) a creditor with a prior perfected security right in the whole of the goods, to the extent that the creditor makes subsequent advances,  
  
if the subsequent sale or the subsequent advance under the prior perfected security right, is made or contracted for, before the security right is perfected; and
- (b) subordinate to the interest of a creditor who registers a notice of judgment or notice of claim, before the security right is perfected.

(3) Notwithstanding the provisions of paragraph (b) of subsection (2), an acquisition security right in an accession that is perfected before or within ten days after the debtor obtains possession of the accession, shall have priority over the interest of a creditor referred to in that paragraph.

(4) If a secured party has an interest in an accession that has priority over the claim of any person having an interest in the whole, the secured party may, on default and subject to the provisions of this Act relating to default, remove the accession from the whole, if, unless otherwise agreed, the secured party reimburses any person having an encumbrance or the owner of the whole of the goods who is not the debtor, for the cost of repairing any physical injury, excluding diminution in value of the whole, caused by the absence of the accession or by the necessity of replacement.

(5) A person entitled to any reimbursement under subsection (4) may refuse permission to remove the accession, until the secured party has given adequate security for the reimbursement.

(6) A secured party who has the right to remove an accession from the whole, shall serve on each person known to the secured party as having an interest in the balance of the goods and on any person with a security right in such balance, perfected by registration against the name of the debtor through the serial identification number of such balance of the goods, if such number is required for registration, a notice in writing of the secured party's intention to remove the accession, containing-

- (a) the name and address of the secured party;
- (b) a description of the accession to be removed, sufficient to enable it to be identified;
- (c) the amount required to satisfy the obligation secured by the security right of the secured party;

- (d) a description of the other goods sufficient to enable them to be identified; and
- (e) a statement of the intention to remove the accession from the whole, unless the amount secured is paid on or before a date specified in the notice, which date shall not be less than ten days after the service of the notice.

(7) The notice referred to in subsection (6) shall be served by registered post, at least ten days before the accession is removed.

(8) A person having an interest in the whole that is subject to a security right in the accession may, before the accession has been removed by the secured party in accordance with the provisions of subsection (4), retain the accession upon payment to the secured party of the amount owing in respect of the security right having priority over such person's interest.

**42.** (1) A perfected security right in goods that subsequently become part of a product or mass of a product, continues in such product or mass, if-

Security right in processed or co-mingled assets

- (a) the goods are so manufactured, processed, assembled or co-mingled that their identity is lost in the product or in the mass of the product; and
- (b) more than one security right attaches to the product or the mass of the product,

and the secured parties shall rank equally according to the ratio that the cost of the goods to which each interest originally attached, bears to the cost of the total product or the mass.

(2) Proceeds in the form of funds that become co-mingled with other funds, so that they are no longer identifiable-

- (a) shall nevertheless be treated as identifiable proceeds; and
- (b) if at any time after the co-mingling takes place the total amount of the funds is found to be less than the amount of the proceeds prior to co-mingling, then the competing claimants shall share the co-mingled funds on a *pro rata* basis.

Right to  
payment under a  
lease of  
immovable  
property

**43.** A security right in a right to payment under a lease of immovable property to which this Act applies, shall be subordinate to the interest of a person who acquires for value the lessor's interest in the lease or in the immovable property which is the subject matter of the lease, if the interest or the notice thereof of the person is registered in the relevant Land Registry Office before the interest or notice thereof of the secured party is registered in such relevant Land Registry Office.

Right to  
payment under a  
mortgage of  
immovable  
property

**44.** A security right in a payment under a mortgage or charge of immovable property to which this Act applies, shall be subordinate to the interest of a person who acquires for value the mortgagee's or chargee's interest in the mortgage or the charge, if the interest of the person is registered in the relevant Land Registry Office before a notice of the security right is registered in such relevant Land Registry Office.

Voluntary  
subordination

**45.** (1) A secured party may, by a security agreement or by a separate agreement entered into between the competing claimants, subordinate the secured party's security right to any other interest and such subordination shall be effective according to its terms.

(2) A subordination shall be effective according to its terms between the parties and may be enforced by a third party, if the third party is the person or one of the class of persons for whose benefit the subordination was intended.

**46.** The rights of a debtor in collateral may be transferred voluntarily or otherwise, notwithstanding any provision in the security agreement prohibiting transfer or declaring a transfer to be a default, but no such transfer shall prejudice the rights of the secured party under the security agreement or otherwise.

Alienation of a debtor's rights in collateral

**47. (1)** Unless an account debtor has made an enforceable agreement not to assert defences or any claims arising out of a contract between such account debtor and the assignor, an account debtor may set up by way of a defence against the assignee-

Assignment of intangibles etc, and rights of third party account debtors

- (a) all defences available to the account debtor against the assignor arising out of the terms of the contract or a related contract, including equitable set-off and misrepresentation; and
- (b) the right to set-off any debt owing to the account debtor by the assignor, that was payable to the account debtor before the debtor received notice of the assignment.

(2) A person obligated on an account or chattel paper may pay the assignor until the person receives notice reasonably identifying the relevant rights that the account or chattel paper has been assigned and, if requested by the account debtor, the assignee shall furnish proof within a reasonable time that the assignment has been made and if the assignee does not do so, the person may pay the assignor.

(3) To the extent that the right to payment or part payment under a contract which has been assigned has not been earned by performance and despite notice of the assignment, any modification of, or substitution for the contract made in good faith and in accordance with reasonable

commercial standards and without material adverse effect upon the assignee's rights under the contract or the assignor's ability to perform the contract, shall be effective against the assignee, unless the person obligated on the account or chattel paper has otherwise agreed. However, the assignee shall acquire corresponding rights under the modified or substituted contract.

(4) A term in the contract between the account debtor and assignor that prohibits or restricts the assignment of, or the giving of a security right in the whole of the account or chattel paper for money due or to become due, or that requires the account debtor's consent to such assignment or such giving of a security right, shall be-

- (a) binding on the assignor, only to the extent of making the assignor liable to the account debtor for breach of their contract; and
- (b) unenforceable against third parties.

(5) For the purpose of this section, "account debtor" means a person who is obligated on an account or on chattel paper.

## **PART VI**

### **REGISTRATION**

Registration of  
security rights  
and the  
establishment  
of the Register

**48.** (1) The powers, duties and functions pertaining to the registration of security rights of movable property shall be exercised, performed and discharged by the Authority.

(2) The Bureau shall, for the purpose of this Act, establish, maintain and operate a register to be called and known as the Register of Security Rights in Movable Property (hereinafter referred to as the “Register”).

(3) The Register shall be maintained in such manner as to facilitate a search easily and promptly, using any one or more of the criteria specified below:-

- (a) by the unique identification number of the debtor;
- (b) by the financing statement number; or
- (c) by any other additional criteria as may be prescribed.

**49.** (1) In order to perfect a security right by registration under this Act, a financing statement prepared in the prescribed form shall be required to be registered with the Registrar.

Application  
for  
registration  
of security  
rights

(2) A person filing a financing statement is required to confirm that the security agreement, to which it relates, has been made or that the debtor consents to the filing of such statement.

(3) A financing statement-

- (a) that is not in accordance with the form prescribed for the same and does not comply with the requirements imposed by the provisions of this Act or any relevant regulations made in that behalf;
- (b) in respect of which the prescribed fee has not been paid or an arrangement for paying the filing fee is not in place; or
- (c) in which any mandatory fields required to be filled when registering electronically, have not been duly completed,

may be rejected by the Registrar.

Financing  
statement

**50. (1) A financing statement-**

- (a) may be filed before or after the security agreement to which it relates is made, except where the collateral consists of consumer goods;
- (b) may relate to more than one security right created or provided for in more than one security agreement between the parties, except where the collateral consists of consumer goods; and
- (c) shall include the following information:-
  - (i) the name of the debtor;
  - (ii) the debtor's unique identification number;
  - (iii) the name and address of the secured party or its agent;
  - (iv) a description of the collateral in the prescribed manner;
  - (v) the duration of the filing;
  - (vi) the maximum amount of obligation secured; and
  - (vii) such other information as may be prescribed.

(2) A financing statement shall also disclose whether the secured party is a trustee.

When a  
registration  
becomes  
effective

**51. (1) A financing statement that is filed shall become a registered financing statement, when a date, time, and a number (to be known as the "financing statement number" are assigned to it by the Registrar.**



(2) A financing statement once registered shall continue to be effective-

- (a) until it is discharged; or
- (b) if the financing statement concerned specifies a date on which its registration ceases to be effective and the registration has not by then been discharged, until the date so specified.

**52.** (1) Upon the registration of a financing statement, the Registrar shall deliver to the secured party named in the financing statement or its authorized agent, a verification statement in the prescribed form, using a prescribed method of communication.

Verification  
statement

(2) A verification statement referred to in subsection (1) shall include the following:-

- (a) the information contained in the financing statement;
- (b) the financing statement number; and
- (c) the date and time of its registration.

**53.** (1) The registration of a financing statement shall become invalid if such statement contains an erroneous unique identification number which prevents the statement from being discovered. However, the validity of a financing statement shall not otherwise be affected due to any defect found therein, unless a reasonable person is likely to be misled materially by such defect.

Errors in the  
financing  
statement

(2) A failure to provide a description of any collateral in a financing statement shall not make the registration ineffective in relation to any other collateral described in such financing statement.

(3) For the purpose of this section, a “defect” includes any irregularity, omission or error, other than an erroneous unique identification number.

Amendment of a registered financing statement

**54.** (1) A registered financing statement may, at any time before it expires, be amended by the filing of an amendment statement.

(2) An amendment statement is registered when a date, time and a number are assigned to it by the Registrar.

Extension or discharge of registration

**55.** (1) The registration of a financing statement may, at any time before it expires, be extended or discharged by the filing of an amendment statement.

(2) A registration which is extended shall continue to have effect until-

- (a) the date specified in the amendment statement; or
- (b) the date on which the registration is discharged.

(3) For the purpose of determining priority, the effective time and date for a registration that is extended, shall be the time and date of its initial registration.

Rejection of an amendment to a financing statement

**56.** (1) An amendment statement that does not meet the requirements imposed by this Act or any regulations made thereunder relating to the same may be rejected by the Registrar.

(2) In addition to the provisions of subsection (1), an amendment statement may also be rejected by the Registrar for any of the reasons specified in subsection (3) of section 49.

Notice of transfer

**57.** (1) Where in relation to a security right the secured party transfers an interest in the collateral, an amendment statement disclosing such transfer may be filed.

(2) The transferee of a security right or of receivables, which are subject of a transaction specified in section 2, shall not be required to file an amendment statement in order for the effectiveness of the registration to be continued against

an administrator or a liquidator or a person referred to in section 5.

(3) Where an amendment statement is filed under subsection (1), but an interest in part of the collateral is transferred, the statement shall include a description of the interest in part of the collateral which is transferred.

(4) An amendment statement disclosing a transfer of a security right may be filed before or after the transfer.

(5) Once an amendment statement is registered, the transferee shall be regarded as the secured party for the purposes of this Act.

(6) Where, in relation to an unperfected security right the secured party transfers an interest in the collateral, a financing statement may be filed in which the transferee is disclosed as the secured party.

**58.** (1) If a security right has been subordinated by the secured party to the interest of another person, an amendment statement may be filed disclosing such subordination.

Notice of subordination

(2) An amendment statement referred to in subsection (1) may be filed before the registration of the financing statement relating to the security right expires.

**59.** (1) Any person may search the Register subject to such condition or exception and in such manner as may be prescribed, including any requirement pertaining to the payment of a fee.

Searches

(2) A search result that is certified by the Registrar may be received in evidence in any court, as *prima facie* proof of the substance contained therein.

**60.** (1) Where a financing statement is registered and one of the conditions set out in Column I of the Table set out below is satisfied, the debtor or any person with an interest in the property which falls within the description of the collateral in the financing statement, may give a notice in

Debtor etc, may require amendment statement

writing (hereinafter referred to as a “requirement notice”) to the secured party named in the financing statement or its authorized agent.

(2) The requirement notice shall-

- (a) specify the condition which is satisfied ;
- (b) require the secured party to file an amendment statement, specifying the effect as indicated in Column II of the Table set out below, corresponding to the condition set out in Column I of the Table; and
- (c) inform the secured party that the failure to comply with the requirement notice may result in the person who gives the notice, filing the appropriate amendment statement.

**TABLE**

<i>Column I</i> <b>Condition</b>	<i>Column II</i> <b>Effect</b>
That the obligation under all the security agreements to which the financing statement relates has been performed.	To discharge the registration.
That the secured party has agreed to release part or all of the collateral described in the financing statement.	To amend or discharge the registration so as to reflect the terms of the security agreement.

That the description of the collateral in the financing statement includes an item or a kind of property that is not a collateral under a security agreement between the secured party and the debtor.	To amend the description of collateral to exclude items or kinds of property that are not collateral under the security agreement between the secured party and the debtor.
That no security agreement exists between the persons named in the financing statement as the secured party and the debtor.	To discharge the registration or where the debtor is not the sole debtor, to amend the registration.

(3) Where the person giving a requirement notice is not the sole debtor, he shall be required to give a copy of the requirement notice to every other debtor to whom the financing statement relates, within five working days of the requirement notice being issued to the secured party.

(4) Where the secured party fails, within fourteen working days after a requirement notice is issued, to-

- (a) comply with such notice; or
- (b)
  - (i) commence proceedings in any court having appropriate jurisdiction to obtain an order to maintain the registration to which the requirement notice relates;
  - (ii) notify the person who issued the notice; and
  - (iii) file in the prescribed form with the Registrar, information about the case number and date of commencement of the proceedings,

the person who issued the requirement notice may file an amendment statement as requested by such notice.

(5) Where the court does not give an order in any proceeding commenced under subsection (4) within thirty working days or within such longer period as the court may direct, the person who issued the requirement notice may file an amendment statement as requested by such notice.

(6) The provisions of subsections (4) and (5) shall not apply to a trust case, and in such a case, a court having appropriate jurisdiction may, on application made in that behalf by a person issuing the requirement notice, direct that the registration be amended or discharged, if-

- (a) one or more of the conditions specified in the requirement notice are satisfied; and
- (b) the secured party does not comply with the requirement notice for the purpose of giving effect to the order,

and the court may make such order as it deems appropriate for the purpose of giving effect to the direction issued by it.

(7) A requirement notice required to be issued under this section, shall be issued in such manner as may be prescribed.

(8) For the purpose of this section, a “trust case” means a case in which the financing statement discloses that the secured party is a trustee.

Entitlement  
to damages  
for incorrect  
filing

**61. (1)** Where any person without a reasonable cause-

- (a) files a financing statement confirming the existence of a security right under an agreement, which in fact does not exist; or
- (b) files a financing statement confirming that the debtor has consented to the filing of such financing statement, when in fact the debtor has not consented to such filing,

the debtor shall have a right to recover damages from that person for any loss or damage caused to the debtor that was reasonably foreseeable as likely to have resulted from such filing.

(2) Where a secured party fails to forward a copy of the verification statement to the debtor within ten working days of receiving a copy of the same under subsection (2) of section 52, the debtor shall have a right to recover damages from such person for any loss or damage that was reasonably foreseeable as likely to result from such failure.

**62.** (1) A person who-

- (a) obtains an order for the appointment of a receiver or a receiver and manager of a company's property; or
- (b) appoints a receiver or a receiver and manager of a company's property under the powers contained in an instrument,

Requirement to notify the Authority about the appointment of a receiver, & c.,

shall be required to register such appointment with the Registrar within seven days of making such appointment.

(2) A receiver or a receiver and manager of a company's property appointed by virtue of an instrument and who ceases to act as such, shall be required to file an amendment statement.

(3) A notice issued under this section shall be in the prescribed form and be issued in the prescribed manner.

(4) A person who fails to comply with the requirements imposed by this section commits an offence and shall be liable on conviction before a Magistrate's Court to a fine not exceeding one hundred thousand rupees.

**63.** (1) The filing of a financing statement or an amendment statement shall not constitute constructive notice or actual knowledge of its existence or contents, to any person.

Filing of a financing statement not to constitute a notice

(2) A purchaser who in the ordinary course of business purchases any collateral, shall not be required to inquire as to whether-

- (a) the collateral has been charged or pledged or in the case of receivables, sold; or
- (b) the disposition constitutes a breach of the terms of the charge.

## **PART VII**

### **GENERAL PROVISIONS**

Inconsistency with the provisions of this Act

**64.** (1) Any legal or equitable principle governing the rights and obligations arising under a security agreement shall, except in so far as they are inconsistent with any provision of this Act, continue to be applicable.

(2) All obligations arising under a security agreement under this Act or under any other law shall be exercised and discharged in good faith and in a commercially reasonable manner.

Action for damages

**65.** If a person fails without a reasonable cause to discharge any obligation imposed on such person by this Act, the person to whom such obligation is owed shall have a right to be compensated for any damage or loss caused to such person, which is reasonably foreseeable as likely to have resulted from such failure.

A court's power to determine priorities and entitlements to collateral

**66.** On an application made to a court having appropriate jurisdiction by a person having an interest in the collateral, such court shall have the power to make one or both of the following orders:-

- (a) an order determining a question relating to the priority or entitlement to the collateral;
- (b) an order extending or abridging, conditionally or otherwise, the time periods



granted under this Act for the compliance with any requirements imposed by or under this Act.

**67.** The serving of any notices required to be carried out under the provisions of this Act, shall be carried out in accordance with the relevant provisions pertaining to the same contained in the Civil Procedure Code (Chapter 101).

Service of notices

**68.** (1) Except as otherwise specifically provided for in this Act, in the event of any conflict between the provisions of this Act and any other law, the provisions of this Act shall prevail.

Conflicts with the provisions of any other law

(2) Notwithstanding the provisions of subsection (1), in the event of a conflict between the provisions of this Act and the provisions of any other law providing for the protection of consumers, the provisions of such other law shall prevail.

**69.** The members of the Board and the Registrar and other officers and employees of the Authority shall be deemed to be public servants, within the meaning and for the purposes of the Penal Code (Chapter 19).

Members, the Registrar and officers and employees, deemed to be public servants

**70.** The Authority shall be deemed to be a Scheduled Institution within the meaning and for the purposes of the Anti-Corruption Act, No. 9 of 2023 and the provisions of that Act shall be construed accordingly.

Authority deemed to be a Scheduled Institution

**71.** (1) All expenses incurred by the Authority in any suit or proceeding brought by or against it before any court, shall be paid out of the Fund of the Authority and any cost paid to or recovered by the Authority in any such suit or proceeding, shall be credited to the Fund of the Authority.

Expenses to be paid out of the Fund of the Authority

(2) Any expenses incurred by a Member of the Board, by the Registrar or any officer or employee of the Authority, in any suit or proceeding brought by or against such person before any court, in respect of any act which is done or

purported to be done by such person under this Act or on any direction issued by the Board, as the case may be, shall, if the court holds that such act was done in good faith, be paid out of the Fund of the Authority, unless such expenses are recovered by that person in such suit or proceeding.

Regulations

**72.** (1) The Minister may, from time to time, make regulations in respect of any matter which are required by this Act to be prescribed or in respect of which regulations are authorized to be made under this Act.

(2) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified therein.

(3) Every regulation made by the Minister shall, within three months after its publication in the *Gazette*, be brought before Parliament for approval.

(4) Any regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval, but without prejudice to anything duly done thereunder.

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

Rules

**73.** (1) The Authority may make rules in respect of matters for which rules are authorized or required to be made under this Act or which it may consider necessary for the purpose of achieving its objectives.

(2) In particular and without prejudice to the generality of the powers conferred by subsection (1), the Authority may make rules in respect of the following matters:-

- (a) the manner and mode of application for registration of security rights and of judgment creditors; and

- (b) amount of fees or charges to be levied in respect of services that are provided by the Authority.

(3) All rules made by the Authority under subsection (1) shall be approved by the Minister and be published thereafter in the *Gazette*.

## **PART VIII**

### **REPEALS AND SAVINGS**

**74.** (1) The Secured Transactions Act, No.49 of 2009 (hereinafter referred to as the “repealed Act”) is hereby repealed. Repeals and savings

(2) Notwithstanding the repeal of the repealed Act-

- (a) a security right that was registered under the repealed Act and subsisting on the day immediately preceding the appointed date shall continue to be a valid security right, for the purpose of satisfying the requirements specified in paragraph (b) of section 4 of this Act; and
- (b) any civil or criminal proceeding instituted under the repealed Act and pending on the day immediately preceding the appointed date in relation to an instrument creating-
  - (i) a pledge, mortgage or bill of sale of any movable property; or
  - (ii) (A) an interest in a fixture of any immovable property; or
  - (B) an assignment of a right to payment under a mortgage, charge or lease of any immovable property, where the

assignment does not convey or transfer the assignor's interest in the immovable property,

which has been registered under this Act in terms of section 9 of the Registration of Documents (Amendment) Act, No. 18 of 2024 shall be deemed to have been instituted under this Act.

## **PART IX**

### **INTERPRETATION**

Interpretation

**75. (1)** In this Act, unless the context otherwise requires -

“accessions” means goods that are installed in, or affixed to, other goods;

“account” means a monetary obligation not evidenced by a chattel paper, a security or an instrument, whether or not the obligation has been earned by performance;

“acquisition security right” means -

- (a) a security right taken or reserved in a collateral to secure payment of all or part of its price;
- (b) a security right taken in a collateral by a person who gives value for the purpose of enabling the debtor to acquire rights in the collateral, to the extent that the value is applied to acquire the rights; or
- (c) the interest of a lessor of goods under a lease for a term over one year,

but does not include a transaction of sale by, and lease-back to, the seller;

“amendment statement” means a statement that satisfies the requirements imposed by this Act and any regulations made thereunder and which is filed by the secured party or its agent, under section 54, 55, 57, 58 or 60 of this Act;

“Bureau” means the Credit Information Bureau of Sri Lanka established by the Credit Information Bureau of Sri Lanka Act, No. 18 of 1990;

“certified security” means a security represented by a certificate that-

- (a) provides that the person entitled to the securities is the person in possession of the certificate; or
- (b) identifies the person entitled to the securities;

“chattel paper” means a document in writing that evidence, both a monetary obligation and a security right, in or in a lease of, specific goods;

“collateral” means any movable property that is subject to a security right;

“commercially reasonable” means the adoption of a procedure in the disposition of a collateral under such conditions as may be considered reasonable according to the prevailing circumstances, calculated to obtain the best market price for the same considering the prevailing circumstances;

“consumer goods” means goods that are used or acquired primarily for consumption or for any household purpose;

“debtor” means -

- (a) a person who owes a payment or the performance of an obligation that is secured, and who owns or has rights in the collateral;
  - (b) a purchaser under a hire purchase agreement or a lessee under a lease for a term over one year;
  - (c) a purchaser who acquires goods subject to a retention of title clause or under a conditional sale; and
  - (d) a transferor of an account or chattel paper,
- and includes the transferee of a debtor’s interest in the collateral, where the context so permits;

“default” means-

- (a) the failure to pay or otherwise perform the obligation secured when due; or
- (b) the occurrence of any event or a set of circumstances whereupon, under the terms of the security agreement, the security right becomes enforceable;

“diminution in value” means the difference between before and after, of the value of any property which has been damaged;

“document of title” means a writing issued by, or addressed to a bailee, that -

- (a) covers goods in the bailee’s possession that are identifiable or that are fungible portions of an identifiable mass; and
- (b) is in the ordinary course of business, treated as establishing that the person in possession of it is entitled to receive, hold

and dispose of the document and the goods it covers;

“equipment” means goods that are not an inventory or consumer goods;

“financing statement” means a statement containing the information required under paragraph (c) of subsection (1) of section 50, and, where the context so permits, includes an amendment statement and a document registered under the Registration of Documents Ordinance (Chapter 117), together with any writing that accompanies or was registered to rectify, amend or renew such registration;

“fungible collateral” means goods of such nature or kind as can be freely exchangeable or replaceable in whole or in part, for another of a like nature or kind;

“future advance” means the advance of any money, credit or other value secured by a security agreement, whether or not such advance is made pursuant to a commitment;

“goods” means movable property other than chattel paper, documents of title, instruments, money and investment property, and includes fixtures, growing crops, the unborn young of animals, timber to be cut and minerals and hydrocarbons to be extracted;

“instrument” means -

- (a) a bill of exchange, a promissory note or a cheque within the meaning of the Bills of Exchange Ordinance (Chapter 82);
- (b) a letter of credit or an advance of credit, if the letter or advance states that it

must be surrendered upon claiming payment thereunder; and

- (c) any other writing that establishes a right to payment of money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment,

but does not include a writing that constitutes a part of chattel paper, document of title, instrument, money or investment property;

“intangible” means movable property including choses in action that is not goods, chattel paper, documents of title, instruments, money or investment property;

“inventory” means goods that are-

- (a) held by a person for sale or lease or that have been leased by that person as a lessor;
- (b) to be furnished or that have been furnished under a contract or service;
- (c) raw materials or work in progress; or
- (d) material used or consumed in any business or profession;

“lease for a term over one year” includes a series of short term leases of the same asset that in aggregate exceeds one year, but does not include-

- (a) a lease of goods by a lessor who is not regularly engaged in the business of leasing goods;
- (b) a lease of household furnishing or appliances as part of a lease of



immovable property where the goods are incidental to the use and enjoyment of the immovable property; or

- (c) a lease of goods of a prescribed kind, regardless of the length of the term of lease;

“minerals” includes oil, gas and hydrocarbons;

“Minister” means the Minister to whom the implementation of the provisions of this Act is assigned;

“movable property” means-

- (a) goods, a document of title, chattel paper, security, instrument, money or any intangible property; or
- (b) (i) an interest in a fixture of any immovable property; or  
(ii) an assignment of a right to payment under a mortgage, charge or lease of any immovable property, where the assignment does not convey or transfer the assignor’s interest in the immovable property;

“notice of change” means data included in any prescribed form required to be submitted to the Bureau, in order for a financing statement to be discharged or otherwise amended;

“notice of judgment” and “notice of claim” means the data in any prescribed form required to be registered with the Authority to effect a registration under this Act, and where the context so admits, includes the data

authorized in order to give effect to an amendment, renewal or discharge of such registration;

“obligation secured”, for the purpose of determining the amount payable under a lease that secures payment or performance of an obligation, means -

- (a) the amount originally contracted to be paid as rent under the lease; and
- (b) all other amounts payable under the terms of the lease, including the amount, if any, required to be paid by the lessee to obtain ownership of the collateral, less the amounts paid;

“pawnbroker” shall have the same meaning as given to that term in the Pawnbrokers Ordinance (Chapter 90);

“pledgor” means a person who delivers goods in pledge or for pawn to a pawnbroker;

“prescribed” means prescribed by regulations made under this Act;

“proceeds” means identifiable or traceable movable property in any form derived directly or indirectly from any dealing with the collateral or the proceeds therefrom, and includes-

- (a) any payment representing an indemnity or compensation for loss or damage caused to the collateral, including a right to an insurance payment or proceeds therefrom; and
- (b) any payment made in total or partial discharge or redemption of chattel paper, an instrument or any intangible;

“purchase” includes obtaining by sale, lease, mortgage, pledge, lien, gift or any other consensual transaction creating an interest in movable property;

“receiver” includes a receiver and manager;

“registered interest” means a right in immovable property that is registered with a competent authority;

“secured party” means -

- (a) a person who holds a security right for the person’s own benefit;
- (b) a person who holds a security right for the benefit of another person;
- (c) a trustee, if a security right is embodied in a trust indenture; and
- (d) where the context so admits, includes a receiver;

“security agreement” means an agreement that creates or provides for a security right and includes a document evidencing a security right;

“security right” means an interest in movable property that secures payment or performance of an obligation and includes, whether or not the interest secures payment or performance of an obligation, the interest of-

- (a) a lessor under a lease for a term over one year; and
- (b) a transferee of an account or chattel paper;

“trust indenture” means any security agreement by the terms of which a body corporate, with or without a share capital and wherever or however incorporated, issues or guarantees debt obligations or provides for the issue or guarantee of debt obligations, and appoints a person as trustee for the holders of the debt obligations so issued, guaranteed or provided for; and

“value” means any consideration sufficient to support a contract and includes an antecedent debt or liability, and accordingly “new value” means value other than an antecedent debt or liability.

(2) Except as otherwise expressly provided for by this Act, the determination as to whether any goods are “consumer goods”, “inventory” or “equipment”, shall be made at the time the security right is created.

(3) Proceeds are traceable, whether or not there is a fiduciary relationship between the person who has a security right in the proceeds as provided in section 35 and the person who has rights in or has dealt with the proceeds.

Sinhala text  
to prevail in  
case of  
inconsistency

**76.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**REGISTRATION OF DOCUMENTS (AMENDMENT)  
ACT, No. 18 OF 2024**

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**[Certified on 01st of April, 2024]**

*Printed on the Order of Government*

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*Registration of Documents (Amendment)*  
*Act, No. 18 of 2024*

[Certified on 01st of April, 2024]

L.D.-O. 69/2017

AN ACT TO AMEND THE REGISTRATION OF DOCUMENTS  
ORDINANCE (CHAPTER 117)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

**1.** (1) This Act may be cited as the Registration of Documents (Amendment) Act, No. 18 of 2024.

Short title and date of operation

(2) The provisions of this Act, other than the provisions of this section, shall come into operation on such date as the Minister may appoint by Order published in the *Gazette* (in this Act referred to as the “appointed date”).

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

**2.** Section 8 of the Registration of Documents Ordinance (Chapter 117) (in this Act referred to as the “principal enactment”) is hereby amended in the proviso to paragraph (b) of that section, by the addition immediately after subparagraph (xi) of that proviso, of the following new subparagraph: -

Amendment of section 8 of Chapter 117

“(xii) any agreement in relation to a transaction which is subject to the provisions of the Secured Transactions Act, No. 17 of 2024.”.

**3.** Chapter IV of the principal enactment (sections 16 to 24 both inclusive) is hereby repealed.

Repeal of Chapter IV of the principal enactment

**4.** The heading of Chapter V of the principal enactment is hereby repealed and the following heading is substituted therefor: -

Replacement of the heading of Chapter V of the principal enactment

2 *Registration of Documents (Amendment)*  
*Act, No. 18 of 2024*

“CHAPTER V  
PROVISIONS APPLICABLE TO INSTRUMENTS AFFECTING LAND”

Amendment of  
section 25 of  
the principal  
enactment

5. Section 25 of the principal enactment is hereby amended by the substitution for the words “an instrument affecting land or a pledge, mortgage or bill of sale.”, of the words “an instrument affecting land.”.

Amendment of  
section 29 of  
the principal  
enactment

6. Section 29 of the principal enactment is hereby amended as follows:-

- (1) in subsection (1) of that section, by the substitution for the words “which affects land or movable property”, of the words “which affects land”; and
- (2) by the repeal of the marginal note to that section and the substitution therefor, of the following marginal note: -

“Land situated  
in several  
districts.”.

Amendment of  
section 41 of  
the principal  
enactment

7. Section 41 of the principal enactment is hereby amended by the substitution for the words “instruments affecting land and pledges, mortgages or bills of sale registered by him”, of the words “instruments affecting land registered by him”.

Amendment of  
the First  
Schedule to the  
principal  
enactment

8. The First Schedule to the principal enactment is hereby amended in Part III of that Schedule, by the substitution in item 2 thereof, for the words and figures “any book or index kept under Chapters III, IV, V, VI, for each transaction” of the words and figures “any book or index kept under Chapter III, V or VI for each transaction”.



*Registration of Documents (Amendment)*                      3  
*Act, No. 18 of 2024*

9. (1) Where, on the appointed date, an instrument creating-
- (a) a pledge, mortgage or bill of sale of movable property; or
  - (b) (i) an interest in a fixture of any immovable property; or
  - (ii) an assignment of a right to payment under a mortgage, charge or lease of any immovable property where the assignment does not convey or transfer the assignor's interest in the immovable property,

Enforceability  
of instruments  
registered under  
Chapter IV of  
the principal  
enactment

which has been registered under Chapter IV of the principal enactment, is in force, such pledge, mortgage or bill of sale of movable property or such interest in a fixture of immovable property or such assignment of a right to payment under a mortgage, charge or lease of immovable property shall, for a period of two years from the appointed date, continue to be enforceable, but shall be required to be registered under the relevant provisions of the Secured Transactions Act, No. 17 of 2024 as a pledge, mortgage or bill of sale of movable property, or an interest in a fixture of immovable property or an assignment of a right to payment under a mortgage, charge or lease of immovable property prior to the expiration of such period of two years.

(2) An instrument referred to in subsection (1) shall, on being registered under the Secured Transactions Act, No. 17 of 2024, be deemed to have been perfected from the date on which such instrument initially became legally enforceable, and the priority which such instrument became entitled to at the time it initially became legally enforceable, shall continue to prevail.

4 *Registration of Documents (Amendment)*  
*Act, No. 18 of 2024*

(3) An instrument referred to in subsection (1) which is not registered under the Secured Transactions Act, No. 17 of 2024 prior to the expiration of two years from the appointed date, shall become legally unenforceable after the expiration of such period.

Sinhala text to prevail in case of inconsistency

**10.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**TRUST RECEIPTS (AMENDMENT)  
ACT, No. 19 OF 2024**

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*Trust Receipts (Amendment)*  
*Act, No. 19 of 2024*

[Certified on 01st of April, 2024]

L.D.-O. 64/2017

AN ACT TO AMEND THE TRUST RECEIPTS ORDINANCE (CHAPTER 86)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

**1.** (1) This Act may be cited as the Trust Receipts (Amendment) Act, No. 19 of 2024.

Short title and date of operation

(2) The provisions of this Act, other than the provisions of this section, shall come into operation on such date as the Minister may appoint by Order published in the *Gazette* (in this Act referred to as the “appointed date”).

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

**2.** Section 4 of the Trust Receipts Ordinance (Chapter 86) is hereby amended in subsection (1) of that section, by the substitution for the words “registered under the Registration of Documents Ordinance as a bill of sale”, of the words and figures “registered under the Secured Transactions Act, No. 17 of 2024 as a bill of sale”.

Amendment of section 4 of Chapter 86

**3.** (1) Where on the appointed date a trust receipt which has been registered under the Registration of Documents Ordinance (Chapter 117) as a bill of sale is in force, such trust receipt shall, for a period of two years from the appointed date, continue to be enforceable, but shall be required to be registered under the relevant provisions of the Secured Transactions Act, No. 17 of 2024 as a bill of sale, prior to the expiration of such period of two years.

Provisions relating to trust receipts registered under the Registration of Documents Ordinance

(2) A bill of sale referred to in subsection (1) shall, on being registered under the Secured Transactions Act, No. 17 of 2024, be deemed to have been perfected from the date on which such bill of sale initially became legally enforceable, and any priority which such bill of sale became entitled to at the time it initially became legally enforceable, shall continue to prevail.

(3) A bill of sale referred to in subsection (1) which is not registered under the Secured Transactions Act, No. 17 of 2024 prior to the expiration of two years from the appointed date, shall become legally unenforceable after the expiration of such period.

Sinhala text to prevail in case of inconsistency

**4.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**MORTGAGE (AMENDMENT)  
ACT, No. 20 OF 2024**

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**[Certified on 01st of April, 2024]**

*Printed on the Order of Government*

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*Mortgage (Amendment) Act, No. 20 of 2024*

[Certified on 01st of April, 2024]

L.D.-O. 65/2017

AN ACT TO AMEND THE MORTGAGE ACT (CHAPTER 89)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

**1.** (1) This Act may be cited as the Mortgage (Amendment) Act, No. 20 of 2024.

Short title and date of operation

(2) The provisions of this Act, other than the provisions of this section, shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

**2.** The following new section is hereby inserted immediately after section 68 of the Mortgage Act (Chapter 89) and shall have effect as section 68A of that enactment :-

Insertion of new section 68A in Chapter 89

“Application of Part III to movable property

**68A.** The provisions of Part III of this Act shall only apply to any movable property in so far as they are not inconsistent with the provisions of the Secured Transactions Act, No. 17 of 2024, from and after the date of coming into operation of the said Secured Transactions Act.”.

**3.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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**PARLIAMENT OF THE DEMOCRATIC  
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SRI LANKA**

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**FINANCE LEASING (AMENDMENT)  
ACT, No. 21 OF 2024**

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*Finance Leasing (Amendment)*  
*Act, No. 21 of 2024*

[Certified on 01st of April, 2024]

L.D. - O. 66/2017

AN ACT TO AMEND THE FINANCE LEASING ACT, NO. 56 OF 2000

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

**1.** (1) This Act may be cited as the Finance Leasing (Amendment) Act, No. 21 of 2024.

Short title and  
date of  
operation

(2) The provisions of this Act, other than the provisions of this section, shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

**2.** Section 24 of the Finance Leasing Act, No. 56 of 2000 (in this Act referred to as the “principal enactment”) is hereby amended in subsection (1) of that section, by the substitution for the words “A lessor may, with the written consent of the lessee obtained at the time of entering into the finance lease or thereafter, transfer or assign”, of the words “A lessor may transfer or assign”.

Amendment of  
section 24 of  
Act, No. 56 of  
2000

**3.** Section 26 of the principal enactment is hereby amended in subsection (1) of that section, by the substitution for the words “an attachment in execution of such equipment.”, of the words and figures “an attachment in execution of such equipment, provided the lessor has validly perfected those rights under the Secured Transactions Act, No. 17 of 2024.”.

Amendment of  
section 26 of  
the principal  
enactment

Amendment of  
section 27 of  
the principal  
enactment

**4.** Section 27 of the principal enactment is hereby amended by the substitution for the words “an equipment under this Act or under a provision of a finance lease, may-”, of the words and figures “an equipment under the Secured Transactions Act, No. 17 of 2024 or where there are no competing claimants, under a provision of a finance lease, may-”.

Sinhala text to  
prevail in case  
of inconsistency

**5.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
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**INLAND TRUST RECEIPTS (AMENDMENT)  
ACT, No. 22 OF 2024**

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*Inland Trust Receipts (Amendment)  
Act, No. 22 of 2024*

[Certified on 01st of April, 2024]

L.D.-O. 67/2017

AN ACT TO AMEND THE INLAND TRUST RECEIPTS  
ACT, No. 14 OF 1990

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:-

**1.** (1) This Act may be cited as the Inland Trust Receipts (Amendment) Act, No. 22 of 2024.

Short title and date of operation

(2) The provisions of this Act, other than the provisions of this section, shall come into operation on such date as the Minister may appoint by Order published in the *Gazette* (in this Act referred to as the “appointed date”).

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

**2.** Section 3 of the Inland Trust Receipts Act, No. 14 of 1990 is hereby amended in subsection (1) of that section, by the substitution for the words “registered under the Registration of Documents Ordinance as a bill of sale”, of the words and figures “registered under the Secured Transactions Act, No. 17 of 2024 as a bill of sale”.

Amendment of section 3 of Act, No. 14 of 1990

**3.** (1) Where on the appointed date an inland trust receipt which has been registered under the Registration of Documents Ordinance (Chapter 117) as a bill of sale is in force, such inland trust receipt shall, for a period of two years from the appointed date, continue to be enforceable, but shall be required to be registered under the relevant provisions of the Secured Transactions Act, No. 17 of 2024 as a bill of sale, prior to the expiration of such period of two years.

Provisions relating to inland trust receipts registered under the Registration of Documents Ordinance



2 *Inland Trust Receipts (Amendment)*  
*Act, No. 22 of 2024*

(2) A bill of sale referred to in subsection (1) shall, on being registered under the Secured Transactions Act, No. 17 of 2024, be deemed to have been perfected from the date on which such bill of sale initially became legally enforceable, and any priority which such bill of sale became entitled to at the time it initially became legally enforceable, shall continue to prevail.

(3) A bill of sale referred to in subsection (1) which is not registered under the Secured Transactions Act, No. 17 of 2024 prior to the expiration of two years from the appointed date, shall become legally unenforceable after the expiry of such period.

Sinhala text to  
prevail in case  
of inconsistency

**4.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**COMPANIES (AMENDMENT)  
ACT, No. 23 OF 2024**

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*Companies (Amendment)* 1  
*Act, No. 23 of 2024*

[Certified on 01st of April, 2024]

L.D.-O.68/2017

AN ACT TO AMEND THE COMPANIES ACT, No. 07 OF 2007

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

**1.** (1) This Act may be cited as the Companies (Amendment) Act, No. 23 of 2024. Short title and date of operation

(2) The provisions of this Act, other than the provisions of this section, shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

**2.** Section 427 of the Companies Act, No. 07 of 2007 (in this Act referred to as the “principal enactment”) is hereby amended in paragraph (a) of subsection (3) of that section, by the substitution for the words and figures “the provisions of the Registration of Documents Ordinance (Cap.117)”, of the words and figures “the provisions of the Secured Transactions Act, No. 17 of 2024”. Amendment of section 427 of Act, No. 07 of 2007

**3.** Section 428 of the principal enactment is hereby amended as follows: - Amendment of section 428 of the principal enactment

(1) in subsection (3) of that section, by the substitution for all the words and figures from “registered under the Registration of Documents Ordinance (Cap. 117)” to the

*Companies (Amendment)  
Act, No. 23 of 2024*

end of that subsection, of the words and figures “registered under the Secured Transactions Act, No. 17 of 2024 and the provisions of that Act shall apply in regard to such floating charge.”; and

(2) by the repeal of subsection (4) of that section.

Amendment of section 431 of the principal enactment

**4.** Section 431 of the principal enactment is hereby amended by the addition immediately after subsection (6) of that section, of the following new subsection: -

“(7) Where any movable property owned by a company is subject to a floating charge which is registered under the Secured Transactions Act, No. 17 of 2024, the provisions relating to priority contained in that Act shall apply in determining the priority of such floating charge.”.

Insertion of new section 433A in the principal enactment

**5.** The following new section is hereby inserted immediately after section 433 of the principal enactment and shall have effect as section 433A of that enactment: -

“Interpretation **433A.** In this Part of this Act, the term “floating charge” means a “security right” for the purpose of the application of the provisions of the Secured Transactions Act, No. 17 of 2024.”.

Sinhala text to prevail in case of inconsistency

**6.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
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**BANKING (AMENDMENT) ACT, No. 24 OF 2024**

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*Banking (Amendment) Act, No. 24 of 2024*

[Certified on 10th of April, 2024]

L.D.-O. 42/2023

AN ACT TO AMEND THE BANKING ACT, NO. 30 OF 1988

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- |  |  |
|--|--|
| <p><b>1.</b> (1) This Act may be cited as the Banking (Amendment) Act, No. 24 of 2024.</p>   | <p>Short title and date of operation</p>   |
| <p>(2) The provisions of this Act shall come into operation on such date as the Minister may appoint by Order published in the <i>Gazette</i> (in this Act referred to as the “appointed date”).</p>   |  |
| <p><b>2.</b> Section 2 of the Banking Act, No. 30 of 1988 (hereinafter referred to as the “principal enactment”) is hereby amended in subsection (6) thereof by the substitution for the words “shall not include the Central Bank or a private company” of the words “shall not include the Central Bank, a shell bank or a private company”.</p> | <p>Amendment of section 2 of Act, No. 30 of 1988</p>   |
| <p><b>3.</b> The following section is hereby inserted immediately after section 2 of the principal enactment and shall have effect as section 2A of that enactment:-</p>   | <p>Insertion of section 2A in the principal enactment</p>  |
| <p>“Eligibility criteria to apply for a licence</p>  | <p>2A. The following matters shall be taken into consideration by the Central Bank in determining whether a company is eligible to apply for a licence under this Act:-</p> <ul style="list-style-type: none"><li>(a) compliance with the initial capital requirements as may be determined by the Central Bank, from time to time;</li><li>(b) the nature and adequacy of the financial resources as a means of continuing financial support for the licensed commercial bank to be established in Sri Lanka;</li></ul> |



2 *Banking (Amendment) Act, No. 24 of 2024*

- (c) the capital and other funding sources shall not derive from unlawful activities;
- (d) suitability of material shareholders in terms of subsection (1B) of section 12;
- (e) fitness and propriety of directors, chief executive officer and officers performing executive functions or any other person proposed to be appointed to any of the above positions, as the case may be, in terms of the criteria set out in subsection (2) of section 42;
- (f) track record for operating in a manner consistent with the standards of good governance and integrity;
- (g) transparency in ownership structure and the beneficial ownership;
- (h) establishment of a licensed commercial bank in Sri Lanka will be in the interest of the viability and stability of the banking system and the interest of the national economy; and
- (i) compliance with any other requirements under this Act or any other written law in Sri Lanka or outside Sri Lanka.”.

Amendment of section 3 of the principal enactment

**4.** Section 3 of the principal enactment is hereby amended as follows:-

- (1) in subsection (1) thereof, by the substitution for the words “in such manner” of the words “in such manner along with the application fee”; and
- (2) in subsection (2) thereof, by the repeal of subparagraph (iii) of paragraph (b) and the substitution therefor, of the following:-

“(iii) a copy of the audited financial statements of the company for the preceding three years;”.

5. Section 4 of the principal enactment is hereby amended as follows:-

Amendment of section 4 of the principal enactment

(1) by the repeal of subsection (1) thereof and the substitution therefor of the following:-

“(1) The Central Bank may require any company or body corporate incorporated outside Sri Lanka, which has applied for a licence under section 3, to carry out banking business through a branch thereof, to undertake to remit to Sri Lanka, prior to the commencement of its business in Sri Lanka, a sum of money determined in United States Dollars, or its equivalent in any designated foreign currency. The amount so remitted may form part of the assigned capital of such company or body corporate and shall be kept as a deposit with the Central Bank or in such other manner as may be determined, from time to time, by the Central Bank.”;

(2) by the insertion immediately after subsection (3) thereof, of the following: -

“(4) Without prejudice to the provisions of subsection (1), the Central Bank may, having regard to the soundness of the financial position, risk management, governance structure, capital adequacy and availability of liquidity, require any company or body corporate specified in subsection (1) to establish within Sri Lanka as a subsidiary of its parent company or principal body corporate to be issued with a licence to carry on banking business in Sri Lanka.

(5) where a commercial bank incorporated outside Sri Lanka is operating as a branch in Sri Lanka immediately preceding the appointed date, the Central Bank may direct such bank to establish a subsidiary of a parent company or principal body corporate of such commercial bank to carry on banking business in Sri Lanka, having regard to the soundness of the financial position, risk management, governance structure, capital adequacy and availability of liquidity subject to such terms and conditions as may be specified in such direction.”.

Amendment of section 5 of the principal enactment

**6.** Section 5 of the principal enactment is hereby amended by the repeal of paragraph (a) of subsection (2) thereof and the substitution therefor of the following:-

“(a) whether such company is authorized to carry on banking business;”.

Amendment of section 8 of the principal enactment

**7.** Section 8 of the principal enactment is hereby amended in subsection (2) thereof by the substitution for the words and figure “(2) The Monetary Board” of the words and figure “(2) The Director of Bank Supervision”.

Amendment of section 9 of the principal enactment

**8.** Section 9 of the principal enactment is hereby amended in subsection (1) thereof by the repeal of paragraph (c) thereof and the substitution therefor of the following: -

“(c) become insolvent and winding up proceedings have been instituted under any other written law for the time being in force, whether in or outside Sri Lanka and a liquidator or receiver has been appointed for such bank in the interest of its depositors and creditors; or”.

9. Section 11 of the principal enactment is hereby amended as follows: -

Amendment of section 11 of the principal enactment

- (1) in subsection (2) thereof, by the substitution for the words “shall commence in accordance with the provisions of Part VIII of this Act.” of the words “shall commence in accordance with the provisions of any other written law for the time being in force which specifically provides for the winding up of any licenced commercial bank in Sri Lanka.”;
- (2) in subsection (3) thereof, by the substitution for the words “close down the business of such bank in and with respect to Sri Lanka, in accordance with the provisions of Part VIII of this Act.” of the words “close down the business of such bank in accordance with the provisions of any other written law for the time being in force which specifically provides for the winding up of any licensed commercial bank in Sri Lanka.”;
- (3) in subsection (4) thereof-
  - (a) by the substitution, in paragraph (g), for the words “such measures;” of the words “such measures; and”;
  - (b) by the substitution in paragraph (h), for the words “such amalgamation; and” of the words “such amalgamation:”; and
  - (c) by the repeal of all the words commencing from “(i) vesting the business of the licensed commercial bank” and ending with the words “an acquiring bank:”.

Amendment of  
section 12 of the  
principal  
enactment

**10.** Section 12 of the principal enactment is hereby amended as follows:-

(1) in subsection (1) thereof,-

(a) by the substitution for the words “written approval of the Monetary Board given with the concurrence of the Minister,” of the words “written approval of the Central Bank,”;

(b) in paragraph (b) thereof, by the substitution for the words “(b) for a licensed commercial bank” of the words “(b) in consultation with the Minister, for a licensed commercial bank”;

(c) by the repeal of paragraph (c) thereof, and the substitution therefor of the following: -

“(c) for a licensed commercial bank to acquire the business or part of the business of another licensed commercial bank, licensed specialised bank or a licensed finance company, or a branch of such licensed commercial bank, licensed specialised bank or licensed finance company, as the case may be, or to sell all or part of its business;”;

(d) in paragraph (d) thereof, by the substitution for the words “within Sri Lanka.” of the words “within Sri Lanka subject to an application fee as may be determined by the Central Bank, from time time;”;

(e) in paragraph (e) thereof, by the substitution for the words “licensed commercial bank or a licensed specialised bank.” of the words “licensed commercial bank, a licensed specialised bank or a licensed finance company.”;

(f) by the addition, immediately after paragraph (e) thereof, of the following:-

“(f) for a licensed commercial bank or a licensed specialised bank to acquire the business or part of the business of another financial institution which is subject to the regulation or supervision of the Central Bank.”;

(2) by the repeal of subsection (1B) thereof, and the substitution therefor of the following:-

“(1B) An approval under paragraphs (c), (e) or (f) of subsection (1) or subsection (1c) shall not be granted, unless the Central Bank is satisfied that such acquisition or merger or consolidation is in the interest of promotion of a safe, sound and stable banking system, and the fair competition prevailing in the banking industry. When granting approval for an acquisition under subsection (1c) to an individual or a body corporate, the Central Bank shall, in determining whether such individual or the directors of such body corporate, as the case may be, are fit and proper persons, have regard to the criteria set out in subsection (2) of section 42 in addition to the following matters:-

(a) track record of the individual or the directors of the body corporate;

- (b) soundness and feasibility of the business plans of the individual or body corporate;
  - (c) the nature and sufficiency of the financial resources of the individual or body corporate as a source of continuing financial support to the licensed commercial bank and the legitimacy of such sources of funding;
  - (d) the business record and experience of the body corporate for the preceding three years; and
  - (e) transparency in ownership structure and the beneficial ownership.”;
- (3) by the repeal of subsection (1c) thereof, and the substitution therefor of the following:-

“(1c) (a) An individual, partnership or body corporate shall not, either directly or indirectly or through a nominee or acting in concert with any other individual, partnership or body corporate, acquire a material interest in a licensed commercial bank incorporated or established within Sri Lanka by or under any written law without the prior written approval of the Central Bank.

(b) Without prejudice to the generality of subsection (2), approval under paragraph (a) of this subsection may be granted subject to terms and conditions as the Central Bank may deem fit.

(c) Without prejudice to the provisions of subsection (3), the secretary of a licensed

commercial bank shall not enter in the share register, the index of shareholders or in any other register maintained to keep records of shareholders of such licensed commercial bank, the name of an individual, an entity (whether corporate or unincorporate) or a nominee of such individual or entity who has acquired the material interest in contravention of paragraph (a) and such person shall not be recognized as a shareholder or a person to be deemed as a shareholder of such licensed commercial bank.

(d) Without prejudice to the provisions of subsection (3), where the contravention of subsection (1c) has been committed by an existing shareholder of the licensed commercial bank, it shall be lawful for the Central Bank to direct such licensed commercial bank to remove the name of such shareholder from the share register, index of shareholders or any other register maintained to keep records of shareholders of such licensed commercial bank, as the case may be, within the period of time as may be specified in such directions. It shall be the duty of such licensed commercial bank to comply with such direction with effect from the date of such direction for removal, and the said shareholder shall not be considered or deemed as a shareholder of such licensed commercial bank until such shareholder complies with the provisions of subsection (1c).

(e) For the purposes of this subsection,-



“acting in concert” means acting pursuant to an understanding (whether formal or informal) to actively co-operate in acquiring a material interest in a licensed commercial bank so as to obtain or consolidate the control of that licensed commercial bank;

“material interest” means the holding of over ten *per centum* of the issued capital of a licensed commercial bank carrying voting rights or, if the Central Bank determines that there exists a significant influence over the licensed commercial bank to nominate, appoint or remove a director, chief executive officer or an officer performing executive functions of the licensed commercial bank or to exercise control over the policies of such bank pursuant to a contract or otherwise.”;

- (4) in subsection (2) thereof, by the substitution for the words “by the Monetary Board with the concurrence of the Minister.” of the words “by the Central Bank.”; and
- (5) by the addition, immediately after subsection (2) thereof, of the following:-

“(3) Notwithstanding anything to the contrary in the provisions in this Act or any other written law, where the Central Bank is satisfied based on the information submitted by the licensed commercial bank or on its own findings that any individual, partnership or body corporate

specified in subsection (1c) has acquired the material interest of such bank in contravention of subsection (1c) or any terms or conditions of the approval granted thereunder, it shall be lawful for the Central Bank to direct such licensed commercial bank or such individual, partnership or body corporate, as the case may be, to dispose of such material interest subject to such terms and conditions as the Central Bank may consider necessary and after giving such bank or individual, partnership or body corporate an opportunity of being heard.

(4) Until the disposal is effected under subsection (3), the Central Bank may direct the licensed commercial bank whose material interest has been acquired or the individual, partnership or body corporate who has contravened the provisions of this section, or both such bank and the individual, partnership and the body corporate, as the case may be, to give effect to, one or more of the following:-

- (a) suspend the exercise of voting rights entitled to such shareholding or part thereof;
- (b) notwithstanding to the contrary in any other written law, prohibit such licensed commercial bank accruing any distribution rights pertaining to such shareholding or part thereof;
- (c) prohibit the licensed commercial bank issuing further shares to or pursue any offer made by the individual, partnership or body corporate who has contravened the provisions of subsection (1c);
- (d) except in a liquidation, prohibit the licensed commercial bank paying any sums due,

including any form of distribution, to such individual, partnership or body corporate who has contravened the provisions of subsection (1c);

(e) provide further details of such shareholding acquired in contravention of subsection (1c) to the Central Bank, in such manner as the Central Bank may determine; or

(f) request a licensed stock exchange or Central Depository System to impose a restriction on trading of shares held in excess of material interest, by any shareholder as a locked balance of his share account, until further instructions to that effect is issued by the Central Bank.”.

Amendment of section 13 of the principal enactment

**11.** Section 13 of the principal enactment is hereby amended as follows:-

(1) in subsection (1) thereof, by the substitution for the words and figure “(1) The Monetary Board may, with the approval of the Minister,” of the words and figure “(1) The Central Bank may,”; and

(2) in subsection (3) thereof, by the substitution for the words “before the Board under subsection (2), the Monetary Board shall, with the approval of the Minister -” of the words “before the Central Bank under subsection (2), the Central Bank shall, -”.

Amendment of section 17 of the principal enactment

**12.** Section 17 of the principal enactment is hereby amended by the insertion of the following, immediately after subsection (4) thereof:-

“(4A) Any licensed commercial bank having a non-financial subsidiary that does not provide services to such licensed commercial bank or its banking group as

at the appointed date, shall divest its ownership in the equity share capital of such subsidiary within a period of five years from the appointed date, after notifying the Central Bank of such decision and the manner in which such bank will discontinue the business carried out by such subsidiary.”.

**13.** Section 19 of the principal enactment is hereby amended as follows:-

Amendment of  
section 19 of the  
principal  
enactment

- (1) in paragraph (b) of subsection (1) thereof, by the substitution for the words “and with the concurrence of the Minister, determine, from time to time.” of the words “determine, from time to time.”;
- (2) by the repeal of paragraph (d) of subsection (3) thereof, and the substitution therefor of the following:-

“(d) Where any licensed commercial bank is required by such variation to augment its equity capital, it shall upon application to the Central Bank, be afforded a period of twelve months, or such other period as may be granted by the Central Bank, in which to comply with that requirement.”;

- (3) by the repeal of paragraph (b) of subsection (7) thereof, and the substitution therefor of the following:-

“(b) Any variation in the capital adequacy ratio referred to in paragraph (a) shall be communicated to every licensed commercial bank by the Central Bank in writing, provided that every licensed commercial bank which is required by such variation to augment its capital, shall be afforded a period of twelve months or such other period as may be granted by the Central Bank, in which to comply with such requirement.”;

- (4) by the addition, immediately after subsection (9) thereof, of the following:-

“(10) The Central Bank may require a licensed commercial bank to maintain additional capital as the Central Bank may consider appropriate having regard to the specific risks emanating from the business of such licensed commercial bank.”.

Replacement of section 21 of the principal enactment

**14.** Section 21 of the principal enactment is hereby repealed and the following is substituted therefor: -

“Liquid Assets

21. (1) Every licensed commercial bank shall, at all times maintain liquid assets that are required to meet its liabilities as may, from time to time, be determined by the Central Bank and comply with the requirements on liquidity having regard to the developments in the regulatory requirements, and the Central Bank shall, as far as practicable, adopt international standards applicable on liquidity requirements of such licensed commercial bank.

(2) Without prejudice to the provisions of subsection (1), the Central Bank may, from time to time, determine additional liquid assets required to be maintained by any licensed commercial bank to meet liabilities and it shall be the duty of every licensed commercial bank to maintain such assets in such ratios as may be directed by the Central Bank.”.

Replacement of section 22 of the principal enactment

**15.** Section 22 of the principal enactment is hereby repealed and the following is substituted therefor: -

“Payment of dividends 22. The Central Bank may, from time to time, having considered the capital or liquidity levels of a licensed commercial bank, issue directions to such licensed commercial bank imposing conditions to be met by such bank prior to declaring or paying dividends, whether scrip or otherwise, or transfer of profits earned in Sri Lanka, outside Sri Lanka.”.

**16.** The following section is hereby inserted immediately after section 22 of the principal enactment and shall have effect as section 22A of that enactment:-

Insertion of section 22A in the principal enactment

“Central Bank to designate foreign currency to be used in offshore banking business 22A. The Central Bank may, by Order designate any foreign currency for the purpose of carrying on offshore banking business.”.

**17.** Part IV of the principal enactment is hereby repealed.

Repeal of Part IV of the principal enactment

**18.** Section 35 of the principal enactment is hereby repealed and the following is substituted therefor:-

Replacement of section 35 of the principal enactment

“Preparation of financial statements by licensed commercial banks 35. Every licensed commercial bank shall maintain accounts and records and prepare financial statements in accordance with applicable accounting standards. The financial statements of a licensed commercial bank shall represent a true and accurate assessment of the bank’s affairs and reflect its operations and financial condition both on a solo and consolidated basis.”.

Repeal of section 36 of the principal enactment      **19.** Section 36 of the principal enactment is hereby repealed.

Repeal of section 37 of the principal enactment      **20.** Section 37 of the principal enactment is hereby repealed.

Replacement of section 38 of the principal enactment      **21.** Section 38 of the principal enactment is hereby repealed and the following is substituted therefor:-

“Publication of financial statements by licensed commercial banks      38. (1) Every licensed commercial bank incorporated or established within Sri Lanka shall,-

- (a) transmit within three months after the closure of its financial year, to the Director of Bank Supervision, its audited financial statements in solo and consolidated basis for such financial year in respect of its business in and outside Sri Lanka;
- (b) exhibit such statements in a conspicuous place at each of its places of business until the solo and consolidated financial statements for the succeeding financial year are prepared and exhibited; and
- (c) publish such statements at least once within the period specified in paragraph (a) in at least one

Sinhala, Tamil and English daily newspaper circulating in Sri Lanka, and in the official website of the respective bank.

(2) Every licensed commercial bank incorporated outside Sri Lanka shall,-

- (a) transmit within three months after the closure of its financial year, to the Director of Bank Supervision, its audited financial statements for such financial year in respect of its business in Sri Lanka;
- (b) exhibit such statements in a conspicuous place at each of its places of business until the financial statements for the succeeding financial year are prepared and exhibited; and
- (c) publish such statements at least once within the period specified in paragraph (a) in at least one Sinhala, Tamil and English daily newspaper circulating in Sri Lanka, and in the official website of the respective bank.

(3) The Central Bank may specify the form of the financial statements referred to in subsections (1) and (2) including any disclosure requirements to be made and where such form is specified, the financial statements of every licensed commercial bank shall be prepared in such form.



(4) Where the Central Bank determines that a disclosure made under subsection (3) does not contain information which is required to contain or is otherwise false or misleading, the Central Bank may, by notice in writing, require such bank –

- (a) to publish a disclosure statement including the information that was previously omitted;
- (b) to publish a disclosure statement without including false or misleading information; or
- (c) to take such other corrective action as may be specified in the notice.”.

Amendment of section 39 of the principal enactment

**22.** Section 39 of the principal enactment is hereby amended as follows:-

- (1) in subsection (1) thereof, -
  - (a) by the substitution in paragraph (a), for the words “the accounts balance sheet and profit and loss account” of the words “financial statements”;
  - (b) by the substitution in paragraph (b), for the words “the accounts, balance sheet and the profit and loss account” of the words “financial statements”;
- (2) by the insertion, immediately after subsection (1) thereof, of the following:-

“(1A) Where there are findings which to the knowledge of the auditor in the performance of his duties under this Act, that-

- (a) losses have been incurred or likely to incur which may materially reduce the capital of any licensed commercial bank;
- (b) irregularities have been occurred in such bank, including the engagement of such bank in unsound or unsafe practices in carrying on of its business which is likely to jeopardize the interests of its depositors and creditors; or
- (c) the obligations to the depositors and creditors of such bank are not sufficiently covered by the assets of such bank,

the auditor shall immediately report such findings or any other matter that can materially affect the safety and soundness of the licensed commercial bank to the Director of Bank Supervision.”;

- (3) by the repeal of subsection (2) thereof, and the substitution therefor of the following:-

“(2) Every report specified in subsection (1) which shall be completed within two months of the end of the financial year, shall contain a statement by the auditor as to whether in his opinion the financial statements contain a true and fair view of the bank’s financial position including the compliance with the provisions relating to issuing of financial statements and making disclosures by a licensed commercial bank and where the auditor

has called for an explanation or any information from any officer or agent of such licensed commercial bank whether such explanation or information is satisfactory.”;

- (4) in subsection (3A) thereof, by the substitution for the words “shall be met by the Central Bank.” of the words “shall be met by the respective licensed commercial bank.”;
- (5) by the insertion, immediately after subsection (3A) thereof, of the following: -

“(3B) Where the Central Bank is of the view that an additional audit is required to be conducted in respect of one or more aspects of the business and affairs of a licensed commercial bank, the Director of Bank Supervision may require such bank to conduct an additional audit on such aspects and the cost of such additional audit shall be met by the respective licensed commercial bank.

(3C) The provisions of sections 38A and 39 in respect of the appointment, duties and powers, and remuneration of auditors shall *mutatis mutandis* apply in respect of any auditor employed to conduct an additional audit under this section.”;

- (6) by the insertion, immediately after subsection (7) thereof, of the following:-

“(7A) The engagement partner of the auditor of a licensed commercial bank shall be a member of the Institute of Chartered Accountants of Sri Lanka

and shall not be subject to any disqualification under any written law in Sri Lanka or abroad from being appointed as an auditor.

(7B) Every licensed commercial bank shall change the auditor of such bank once in every six years and shall change the engagement partner once in every three years.

(7C) A licensed commercial bank which has already appointed an auditor shall comply with the provisions of this section within a period of two years from the appointed date.”; and

(7) by the repeal of subsection (8) thereof.

**23.** Section 41 of the principal enactment is hereby amended in subsection (1) thereof, by the substitution for the words “or any of its subsidiaries,” of the words “on solo and consolidated basis”.

Amendment of section 41 of the principal enactment

**24.** Section 42 of the principal enactment is hereby amended as follows: -

Amendment of section 42 of the principal enactment

(1) in subsection (2) thereof, -

(a) by the repeal of paragraph (a) and the substitution therefor of the following: -

“(a) that such person possesses academic or professional qualifications and effective experience in banking, finance, economics, accounting, business administration, information technology, risk management, law or any other relevant discipline as may be determined by the Central Bank;”;

(b) by the repeal of paragraph (c) and the substitution therefor of the following: -

“(c) that such person is not subject to any proceedings, inquiry or investigation consequent upon being served with notice of a charge involving fraud, deceit, dishonesty or other similar criminal activity, by any court, tribunal, regulatory authority, supervisory authority, professional association, Commission of Inquiry, or any other body established by law, in Sri Lanka or outside Sri Lanka.”;

(2) by the repeal of subsection (4) thereof, and the substitution therefor of the following: -

“(4) Every licensed commercial bank shall notify the Director of Bank Supervision in such form as may be determined by the Director of Bank Supervision, the name, address and occupation and if he considers necessary, any further information of -

(a) each person proposed to be appointed, elected or nominated as a director of such licensed commercial bank, before such appointment, election or nomination, as the case may be;

(b) any director of such licensed commercial bank, if such bank is aware that such person is not a fit and proper person or where such director becomes otherwise ineligible to hold office as such director, within fifteen days of such bank becoming aware of such facts.”;

(3) by the insertion, immediately after subsection (4) thereof, of the following: -

“(4A) The Director of Bank Supervision may, upon receipt of notice under subsection (4), if he considers necessary, cause further investigation to satisfy himself in relation to any of the matters referred to in subsection (1) or (2).”;

- (4) by the repeal of subsection (7) thereof, and the substitution therefor of the following:-

“(7) A licensed commercial bank shall not appoint, elect or nominate as a director of the licensed commercial bank, a person whose appointment, election or nomination, as the case may be, has not been approved under subsection (5) or subsection (6) and no such director shall be permitted to carry out any duty or function of such licensed commercial bank in any capacity.”;

- (5) by the repeal of subsection (12) thereof, and the substitution therefor of the following:-

“(12) The Board of Directors of a licensed commercial bank shall have the duty to oversee the management of the affairs of the licensed commercial bank including its governance framework and be ultimately responsible for ensuring that the business of such bank is carried out in compliance with all applicable laws and consistent with safe and sound banking practices.”;  
and

- (6) by the addition immediately after subsection (12) thereof, of the following:-

“(13) Notwithstanding anything to the contrary in any other written law, the Central Bank shall, from time to time, determine the number of members of the Board of Directors of a licensed commercial bank which number shall not be less than seven in any case.”.

Amendment of section 44A of the principal enactment

**25.** Section 44A of the principal enactment is hereby amended by the repeal of subsection (1) thereof, and the substitution therefor of the following:-

“(1) The Chief Executive Officer and such other officers of a licensed commercial bank performing executive functions as may be determined by the Central Bank shall be fit and proper persons to hold such respective positions, and the provisions of subsection (2) of section 42 shall, *mutatis mutandis*, apply in determining whether such persons are fit and proper persons.”.

Insertion of sections 44B and 44c in the principal enactment

**26.** The following sections are hereby inserted immediately after section 44A of the principal enactment and shall have effect as sections 44B and 44c of that enactment: -

Disqualification of a director, the chief executive officer or an officer performing executive functions of a licensed commercial bank who previously held such positions in such bank

44B. (1) (a) Where the Central Bank, in pursuance to findings of any examination or investigation conducted on affairs of a licensed commercial bank, is satisfied at any time that a person who previously held office as a director, the chief executive officer or an officer performing executive functions of such bank has committed or has been connected with the commission of any act involving fraud, deceit, dishonesty or other similar criminal activity or any other improper conduct during the period in which he served in such office which may disqualify such person to be a fit and proper person to

be appointed, elected or nominated as a director, the chief executive officer or officer performing executive functions of a licensed commercial bank, or any other financial institution regulated and supervised by the Central Bank, it shall be lawful for the Central Bank to determine that such person is not fit and proper, notwithstanding the fact that whether such person no longer holds such office at the time of making such determination.

(b) The Central Bank shall, prior to making such determination ensure that such person has been offered an opportunity of being heard.

(2) The person so determined as not fit and proper under subsection (1) shall not be eligible to be appointed, elected, nominated or continued as a director, chief executive officer or other officer performing executive functions of a licensed commercial bank or any other financial institution regulated and supervised by the Central Bank.

This Part of this Act to prevail in case of inconsistency 44c. In the event of any conflict or inconsistency between the provisions of this Part of this Act and the provisions of any other written law for the time being in force, the provisions of this Part shall prevail.”.

27. Section 46 of the principal enactment is hereby amended in subsection (1) thereof, as follows:-

Amendment of section 46 of the principal enactment

(1) by the substitution for the words “directions to licensed commercial banks” of the words



“directions to licensed commercial banks considering the asset size, scale, diversity and complexity of operations of such banks”;

- (2) by the repeal of paragraph (c) thereof and the substitution therefor, of the following:-

“(c) the limit on large exposures which, having regard to the equity capital, reserves and deposits of such licensed commercial bank and other relevant considerations including, as far as practicable, the adoption of international standards applicable on large exposures, as may be made by such bank-

(i) to any single company, public corporation, firm, association of persons or an individual; or

(ii) in the aggregate to-

(A) an individual, his close relations or to a company or firm in which he or his close relations have a substantial interest; or

(B) a group of connected borrowers if at least one of the following criteria is satisfied:-

(a) control relationship, a company and one or more of the following having a control relationship with each other:-

(i) its subsidiaries;

- (ii) its holding company;
  - (iii) its associate company;
  - (iv) a subsidiary of its holding company;
  - (v) a company in which a company referred to in item (a) of this subparagraph or its subsidiary, or its holding company, or a subsidiary of its holding company, has a substantial interest;
  - (vi) an individual having a substantial interest in such company and the close relations of such individual; or
  - (vii) any other company having direct or indirect control over such company as may be determined by the Central Bank;
- (b) economic interdependence between connected borrowers as may be determined by the Central Bank based on predetermined criteria:

Provided that, it shall be lawful for a licensed commercial bank to comply with the provisions of this paragraph within a period of three years from the appointed date or such other period as may be determined by the Central Bank.”.

Amendment of  
section 47 of the  
principal  
enactment

**28.** Section 47 of the principal enactment is hereby amended as follows:-

- (1) by the repeal of subsection (1) thereof;
- (2) by the insertion, immediately after subsection (11A) thereof, of the following:-

“(11B) The provisions of subsections (3), (4), (5), (6), (7), (11) and (11A) shall apply to the following persons, and such persons shall comply with such provisions:-

- (a) a chief executive officer or an officer performing executive functions of a licensed commercial bank in respect of any accommodation granted other than an accommodation granted to such officer under a scheme applicable to the employees of such bank;
- (b) a shareholder of a licensed commercial bank having material interest, whether individual or a concern;
- (c) a subsidiary or an associate company of the licensed commercial bank;
- (d) a holding company of the licensed commercial bank including its subsidiaries, excluding the parent bank and subsidiaries of a bank incorporated outside Sri Lanka;
- (e) a director of a subsidiary or an associate company of the licensed commercial bank and a director of a holding company and its subsidiaries;

- (f) a close relation of a person specified in paragraphs (a) and (b);
- (g) a concern, whose director or partner is a director of such bank; and
- (h) a concern in which a material shareholder of a licensed commercial bank or any of his close relations has substantial interest.

(11C) Any person referred to in subsection (11B) who contravenes the provisions of subsection (3), (4), (5), (6), (7), (11) or (11A) commits an offence under this Act.”;

- (3) by the insertion, immediately after subsection (13) of the following:-

“(14) (a) The Central Bank may require a licensed commercial bank to deduct the amount of any accommodation granted by such bank in excess of the limits specified in subsection (4), to any related party for the purposes of calculating the regulatory capital ratios under subsection (7) of section 19 or require such excess to be secured by such security as directed by the Central Bank.

(b) The minimum period of time that the Central Bank may afford to a licensed commercial bank to comply with the provisions of paragraph (a) shall be a period of twelve months or such other period as may be determined by the Central Bank, which in any case shall not exceed a period of three years.”.

Repeal of Part VIIA of the principal enactment

**29.** Part VIIA of the principal enactment is hereby repealed.

Repeal of section 50 of the principal enactment

**30.** Section 50 of the principal enactment is hereby repealed.

Amendment of section 55 of the principal enactment

**31.** Section 55 of the principal enactment is hereby amended as follows:-

- (1) by the substitution for the words and figure “in section 54 the name of such bank shall be removed from the list of licensed commercial banks and” of the words and figure “in section 54”;
- (2) in paragraph (c) thereof, by the substitution for the words and figure “in accordance with section 72.” of the words and figure “in accordance with section 72; and”;
- (3) by the addition immediately after paragraph (c) thereof, of the following:-

“(d) all monies or other articles held in a safe deposit box which have not been paid or returned to the rightful owners under section 54, have been transferred to a special account of the Central Bank or are disposed in accordance with the directions issued by the Central Bank for such purpose, as the case may be.”;

- (4) by the repeal of the marginal note to that section, and the substitution therefor of the following:-

“Distribution of the outstanding assets among the owners of the licensed commercial bank”.

**32.** Section 56 of the principal enactment is hereby repealed and the following is substituted therefor:-

Replacement of section 56 of the principal enactment

“Cancellation of the licence issued to a licensed commercial bank and to remove the name from the list  
56. Once all outstanding assets have been distributed in accordance with the provisions of section 55, the Director of Bank Supervision shall direct such licensed commercial bank subject to voluntary winding up to submit the audited financial statements of such bank to the Central Bank for its approval. Once the audited financial statements are approved by the Central Bank, the Central Bank shall cancel the licence issued to such licensed commercial bank and the name of such bank shall be removed from the list of licensed commercial banks.”.

**33.** Sections 57 to 69 (both inclusive) of the principal enactment are hereby repealed.

Repeal of sections 57 to 69 of the principal enactment

**34.** Section 70 of the principal enactment is hereby amended in subsection (4), by the substitution for the words and figures “with the undertaking. The provisions of sections 63 and 68 shall apply to the winding up of the affairs under this section.” of the words “with the undertaking.”.

Amendment of section 70 of the principal enactment

**35.** Section 72 of the principal enactment is hereby amended in subsection (1) thereof, by the substitution for the words and figures “(1) In addition to the articles referred to in sections 63 and 68 the articles” of the words and figure “(1) The articles”.

Amendment of section 72 of the principal enactment

**36.** Section 76D of the principal enactment is hereby amended by the repeal of subsection (3) thereof.

Amendment of section 76D of the principal enactment

Amendment of section 76G of the principal enactment

**37.** Section 76G of the principal enactment is hereby amended in subsection (1), by the substitution for the words “the Monetary Board may with the concurrence of the Minister,” of the words “the Central Bank may,”.

Amendment of section 76H of the principal enactment

**38.** Section 76H of the principal enactment is hereby amended by the substitution for the words and figure “provisions of Part V” of the words and figures “provisions of section 21, Part V”.

Amendment of section 76J of the principal enactment

**39.** Section 76J of the principal enactment is hereby amended in subsection (1) as follows:-

- (1) by the substitution for the words “regarding the manner in which any aspect of the business of such banks is to be conducted and in particular-” of the following:-

“considering the asset size, scale, diversity and complexity of operations of such banks or for reasons to be stated in writing to any one or more of them, regarding the manner in which any aspect of the business of such banks is to be conducted and in particular -”;  
and

- (2) by the repeal of paragraph (k) thereof.

Amendment of section 76K of the principal enactment

**40.** Section 76K of the principal enactment is hereby amended by the substitution for the words and figure “provisions of section 45 shall,” of the words and figures “provisions of sections 45, 47, 48A, 49 and 49A shall,”.

**41.** Section 76M of the principal enactment is hereby amended as follows:-

Amendment of  
section 76M of  
the principal  
enactment

(1) in paragraph (b) of subsection (3) thereof, -

5 (a) by the repeal of subparagraph (i), and the substitution therefor of the following:-

“(i) where the bank is incorporated or established within Sri Lanka by or under any written law, proceedings for the winding up of the bank shall commence under the provisions of any written law for the time being in force, which specifically provides for the winding up of the licensed commercial banks and licensed specialised banks in Sri Lanka.”;

(b) by the repeal of subparagraph (ii) thereof, and the substitution therefor of the following:-

“(ii) where the bank is incorporated outside Sri Lanka, the business of such bank authorized under the licence issued under section 76A shall be closed down and its affairs shall be wound up under the provisions of any written law for the time being in force, which specifically provides for the winding up of the licensed commercial banks and licensed specialised banks in Sri Lanka.”; and

(2) by the repeal of subsections (3A), (3B), (3C), (3D), (3E), (3F) and (3G) thereof.



Amendment of section 79 of the principal enactment

**42.** Section 79 of the principal enactment is hereby amended in subsection (1), by the substitution for the words and figures “subsection (3) of section 33, subsection (3) of section 41” of the words and figures “subsection (3) of section 41”.

Insertion of new section 79B in the principal enactment

**43.** The following new section is hereby inserted immediately after section 79A of the principal enactment and shall have effect as section 79B of that enactment:-

“Central Bank to impose administrative fine

79B. (1) Without prejudice to any of the provisions of this Act or any other written law for the time being in force, it shall be lawful for the Central Bank, after affording an opportunity of being heard, to impose an administrative fine on any person who contravenes the provisions of subsections (1c), (3) and (4) of section 12, section 19, section 21, subsection (1) of section 38 or paragraph (c) of subsection (1) of section 46 of this Act.

(2) The Central Bank shall, in determining to impose an administrative fine, take into consideration-

- (a) the gravity of such contravention;
- (b) whether there is any recurrence of such contravention;
- (c) whether any loss or damage is caused to the depositors or any other person consequent of such contravention;
- (d) whether the person against whom a fine is to be imposed is unduly benefitted from such contravention;
- (e) the financial resources of such person;

- (f) any mitigating factors; and
- (g) such other matters as it considers to be relevant.

(3) The Central Bank shall determine the procedure and manner for imposing an administrative fine on a person under subsection (1) and the amount of such fine, in proportion to the contravention so committed.”.

**44.** Section 83A of the principal enactment is hereby amended by the substitution for the words “and such bank” of the words “licensed specialised bank and such bank”.

Amendment of section 83A of the principal enactment

**45.** The following new sections are hereby inserted immediately after section 83C of the principal enactment and shall have effect as sections 83D and 83E of that enactment:-

Insertion of new sections 83D and 83E in the principal enactment

“Delegation of its powers, duties and functions by the Central Bank

83D. The Central Bank may, if it considers necessary, delegate any of its powers, duties and functions under this Act to the Governor, Deputy Governor, Assistant Governor, Director of Bank Supervision or any other officer of the Central Bank who shall not be below the rank of a Head of the Department, or any committee consisting of such officers of the Central Bank, as the case may be, to carry on any such powers, duties and functions under this Act.

Central Bank to inform any person to furnish any information & c.

83E. (1) The Central Bank may, by notice in writing, inform any person other than a licensed commercial bank, a licensed specialised bank, a director, Chief Executive Officer or an officer performing executive functions of such bank, to furnish, within such period as specified in the notice, any information or produce any document as specified in such notice and as the Central Bank may consider necessary for the exercise, performance and discharge of the powers, duties and functions under this Act.

(2) Notwithstanding anything to the contrary in any other written law, it shall be the duty of any person who receives a notice under subsection (1) to comply with the requirements of such notice within the period specified therein.”.

Amendment of section 86 of the principal enactment

**46.** Section 86 of the principal enactment is hereby amended as follows:-

- (1) by the insertion immediately after the definition of the expression “accommodation”, of the following:-

““Auditor General” means the Auditor General appointed under Article 153 of the Constitution;”;

- (2) by the insertion immediately after the definition of the expression “banking business”, of the following:-

““beneficial owner” means a natural person who ultimately owns or controls ten *per centum* or more of a company, in whole or in part,

through direct or indirect ownership or control of shares or voting rights or other ownership interest in that company, and also includes a natural person who exercises effective control through other means, and beneficial ownership is to be construed accordingly;

“Board of Directors of a branch of a licensed commercial bank incorporated outside Sri Lanka” means the Head Office or Regional Office of such licensed commercial bank that supervises the respective branch or a management committee for which powers on overseeing the management have been delegated by such Head Office or the Regional Office, as the case may be, to act as the Board of Directors of such branch;”;

- (3) by the insertion immediately after the definition “concern” of the following:-

““control relationship” means the ability of one borrower of a licensed commercial bank to influence over the activities of other borrowers of such bank;”;

- (4) by the repeal of the definition of the expression “Director of Bank Supervision” and the substitution therefor of the following:-

““Director of Bank Supervision” means an employee of the Central Bank who is the head of the department of the Central Bank which is entrusted with the regulation and supervision of the licensed commercial banks and licensed specialised banks in Sri Lanka;”;

- (5) by the repeal of the definition of the expression “domestic banking business”, and the substitution therefor of the following:-

““economic interdependence” means the dependence of one borrower of a licensed commercial bank on a business of any other borrower of such bank where it is likely that the financial difficulties of the latter may impair the repayment capacity of the first mentioned borrower;

“engagement partner” means the partner or other person in the audit firm who is responsible for the audit engagement and its performance, and for the auditor’s report that is issued on behalf of the audit firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body;

“exposures” means accommodation and all financial investments;”;

- (6) by the insertion immediately after the definition of the expression “head office of a commercial bank” of the following:-

““international standards” means the standards that comprise of principles, guidelines, processes, or characteristics, that have been developed through the consensus of experts from many countries and published by a globally recognized institution including the Basel Committee on Banking Supervision, the Financial Stability Board and such other similar standard setting institution;”;

- (7) by the insertion immediately after the definition of the expression “local authority” of the following:-

““Minister” means the Minister assigned the subject of Finance in terms of Article 44 or 45 of the Constitution;”;

- (8) by the insertion immediately after the definition of the expression “Monetary Board” of the following:-

““non-financial subsidiary” means a subsidiary of a licensed commercial bank or a licensed specialised bank which carries out the business other than the business of a ‘financial sector participant’ as defined in the Central Bank of Sri Lanka Act, No.16 of 2023;”;

- (9) by the insertion immediately after the definition of the expression “non-resident” of the following:-

““offshore banking business” means the provision of banking business by a licensed commercial bank in any designated foreign currency to non-residents, and to certain residents as may be determined by the Central Bank, from time to time;

“physical presence” means meaningful mind and management located within a country and does not include simple or mere existence of a local agent or low-level staff of such country; ”;

- (10) by the insertion immediately after the definition “resident” of the following: -

““shareholder” shall have the same meaning as given in the Companies Act, No. 07 of 2007;

“shell bank” means a bank that has no physical presence in the country in which it is incorporated and licensed, and which is unaffiliated with a financial group that is subject to effective consolidated supervision;”;

- (11) in the definition of the expression “substantial interest” by the substitution for the words “on behalf of such firm.” of the words “on behalf of such firm;”;
- (12) by the addition immediately after the definition of the expression “substantial interest” of the following: -

““unlawful activity” shall have the same meaning as given in the Prevention of Money Laundering Act, No. 5 of 2006.”

Amendment of  
Schedule II of  
the principal  
enactment

**47.** Schedule II of the principal enactment is hereby amended as follows:-

- (1) in item (z) thereof, by the substitution for the words “to the buyer.” of the words “to the buyer;”;
- (2) by the addition immediately after item (z), the following:-

“(aa) conducting offshore banking business.”.

**48.** Notwithstanding the repeal of subsection (3c) of section 76M of the principal enactment by this Act, any Scheme formulated by the Monetary Board under subsection (3c) of that section shall continue to be in force until the liabilities of depositors and creditors of the defaulting bank referred to in that subsection are settled in full in accordance with the terms and conditions of such Scheme.

Special provision relating to the Schemes formulated by the Monetary Board under section 76M

**49.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency



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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**CODE OF CRIMINAL PROCEDURE (AMENDMENT)  
ACT, No. 25 OF 2024**

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**[Certified on 03rd of May, 2024]**

*Printed on the Order of Government*

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*Code of Criminal Procedure (Amendment)*  
*Act, No. 25 of 2024*

[Certified on 03rd of May, 2024]

L. D.- O 29/2022

AN ACT TO AMEND THE CODE OF CRIMINAL PROCEDURE  
ACT, No. 15 OF 1979

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- 1.** This Act may be cited as the Code of Criminal Procedure (Amendment) Act, No. 25 of 2024. Short title
- 2.** Section 185 of the Code of Criminal Procedure Act, No. 15 of 1979 (hereinafter referred to as the “principal enactment”) is hereby amended as follows: - Amendment of section 185 of Act, No. 15 of 1979
- (1) by the renumbering of that section as subsection (1) of that section; and
  - (2) by the addition immediately after the renumbered subsection (1), of the following new subsections: -
    - “(2) At the time of passing the sentence, the Magistrate may, after considering all relevant facts take into cognizance the time spent by such accused in custody prior to the conviction of the offence he is convicted of, and in such cases the time so spent in custody shall be considered to be part of his sentence:
- Provided that, where the time spent by such accused in custody is not considered to be part of his sentence, the Magistrate shall record reasons therefor:
- Provided further, the time so spent in custody by the accused prior to the conviction shall not

2 *Code of Criminal Procedure (Amendment)*  
*Act, No. 25 of 2024*

be taken into consideration where a mandatory minimum sentence is stipulated by law in respect of the offence the accused is charged with.

(3) For the purpose of this section, “custody” means the time spent in remand custody.”.

Amendment of section 203 of the principal enactment

**3.** Section 203 of the principal enactment is hereby amended as follows: -

- (1) by the renumbering of that section as subsection (1) of that section; and
- (2) by the addition immediately after the renumbered subsection (1), of the following new subsections:-

“(2) At the time of passing the sentence, the Judge may, after considering all relevant facts take into cognizance the time spent by such accused in custody prior to the conviction of the offence he is convicted of, and in such cases the time so spent in custody, shall be considered to be part of his sentence:

Provided that, where the time spent by such accused in custody is not considered to be part of his sentence, the Judge shall record reasons therefor:

Provided further, the time so spent in custody by the accused prior to the conviction shall not be taken into consideration where a mandatory minimum sentence is stipulated by law in respect of the offence the accused is charged with.

(3) For the purpose of this section, “custody” means the time spent in remand custody.”.

4. The following new section is hereby inserted immediately after section 238 of the principal enactment and shall have effect as section 238A of that enactment: -

Insertion of new section 238A in the principal enactment

“Passing the sentence

238A. (1) At the time of passing the sentence, the Judge may, after considering all relevant facts take into cognizance the time spent by such accused in custody prior to the conviction of the offence he is convicted of, and in such cases the time so spent in custody, shall be considered to be part of his sentence:

Provided that, where the time spent by such accused in custody is not considered to be part of his sentence, the Judge shall record reasons therefor:

Provided further, the time so spent in custody by the accused prior to the conviction shall not be taken into consideration where a mandatory minimum sentence is stipulated by law in respect of the offence the accused is charged with.

(2) For the purpose of this section, “custody” means the time spent in remand custody.”.

5. Section 323 of the principal enactment is hereby amended in subsection (5) thereof, by the substitution for the words “the time so spent”, of the words “the time spent”.

Amendment of section 323 of the principal enactment

4 *Code of Criminal Procedure (Amendment)*  
*Act, No. 25 of 2024*

Amendment of  
section 333 of the  
principal  
enactment

**6.** Section 333 of the principal enactment is hereby amended in subsection (5) thereof, by the substitution for the words “received into prison under the sentence.”, of the following:-

“received into prison under the sentence:

Provided that, the Court of Appeal may, in appropriate cases, order that the time spent by an appellant in custody pending the determination of his appeal and any time spent in custody prior to the conviction, such time not having been considered as part of his sentence passed at the time of his conviction by the court of first instance, be considered as part of his sentence ordered at the conclusion of his appeal.”.

Sinhala text to  
prevail in case  
of inconsistency

**7.** In the event of any inconsistency between the Sinhala and the Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**RECOVERY OF LOANS BY BANKS  
(SPECIAL PROVISIONS) (AMENDMENT)  
ACT, No. 26 OF 2024**

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**[Certified on 08th of May, 2024]**

*Printed on the Order of Government*

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*Recovery of Loans by Banks  
(Special Provisions) (Amendment)  
Act, No. 26 of 2024*

[Certified on 08th of May, 2024]

L.D.-O. 17/2024

AN ACT TO AMEND THE RECOVERY OF LOANS BY BANKS  
(SPECIAL PROVISIONS) ACT, NO. 4 OF 1990

BE it enacted by the Parliament of the Democratic Socialist  
Republic of Sri Lanka as follows: -

1. This Act may be cited as the Recovery of Loans by  
Banks (Special Provisions) (Amendment) Act, No. 26 of  
2024.

Short title

2. The following new section is hereby inserted  
immediately after section 4 of the Recovery of Loans by  
Banks (Special Provisions) Act, No. 4 of 1990 and shall  
have effect as section 4A of that Act:-

Insertion of  
new section  
4A in Act,  
No. 4 of  
1990

“Temporary  
suspension of  
selling of any  
property by  
public  
auction

4A. Notwithstanding the provisions of, the  
proviso to section 3 and section 4, the Board  
shall not authorize any person to sell by public  
auction any property mortgaged to the bank as  
security for any loan in respect of which default  
has been made, during the period commencing  
on the date of commencement this section and  
ending on 15<sup>th</sup> December, 2024.”.

3. In the event of any inconsistency between the Sinhala  
and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text  
to prevail in  
the case of  
inconsistency

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**PARTITION (AMENDMENT)  
ACT, No. 27 OF 2024**

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**[Certified on 13th of May, 2024]**

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*Partition (Amendment)*  
*Act, No. 27 of 2024*

[Certified on 13th of May, 2024]

L.D.-O. 68/2021

AN ACT TO AMEND THE PARTITION LAW, NO. 21 OF 1977

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:-

**1.** This Act may be cited as the Partition (Amendment) Act, No. 27 of 2024. Short title

**2.** Section 15 of the Partition Law, No. 21 of 1977 (hereinafter referred to as the “principal enactment”) is hereby amended as follows: - Amendment of section 15 of Law, No. 21 of 1977

- (1) by the repeal of subsections (2) and (3) thereof, and the substitution therefor of the following subsections:-

“(2) Every Grama Niladhari to whom a copy of such notice and a copy of a translation thereof are sent by registered post under subsection (1) of this section shall cause the contents of the notice, including the Schedule of the land or lands, as the case may be, to be exhibited in a banner displayed, in the manner as may be prescribed by regulations, in a conspicuous place in his office or close to his office for a period of not less than thirty days, and shall forward to the court a report to that effect substantially in the form set out in the Second Schedule.

(3) The Grama Niladhari shall also cause the contents of the notice sent to him under subsection (1) of this section, including the Schedule of the land or lands, as the case may be-

- (a) to be exhibited in a banner, in a conspicuous position in the land or lands, as the case may be, in the manners as may be prescribed by regulations; and

*Partition (Amendment)  
Act, No. 27 of 2024*

- (b) to be orally proclaimed by way of public announcement made using a loudspeaker at such land or each of such lands and at any public place close to such land or each of such lands, as the case may be,

and shall forward to the court a report to that effect substantially in the form set out in the Second Schedule.”; and

- (2) by the addition, at the end of that section of the following new subsection:-

“(4) The cost of the publication done under subsections (2) and (3) of this section shall be borne by the plaintiff in the first instance and shall be recoverable “*pro rata*”. The Grama Niladhari shall forward an affidavit to the court affirming the execution of the publications referred to in subsections (2) and (3) of this section along with the reports referred to in subsections (2) and (3) of this section within two months from the date of receipt of such notice.”.

Amendment of  
section 16 of the  
principal  
enactment

**3.** Section 16 of the principal enactment is hereby amended by the repeal of subsection (2) thereof, and the substitution therefor of the following subsection:-

“(2) (a) The commission issued to a surveyor under subsection (1) of this section shall be substantially in the form set out in the Second Schedule and shall have attached thereto a copy of the plaint certified as a true copy by the registered attorney for the plaintiff.

(b) The court may, upon transmit to it under section 18 the plan prepared by the surveyor in the execution of the commission issued under subsection (1), order to issue a further commission, on its own motion or at the instance of any party to the action, authorizing-

- (i) the surveyor referred to in subsection (1) or any other surveyor whose name is specified in the list of surveyors referred to in section 73, to survey any larger or smaller portion of the land that was surveyed under the commission issued under subsection (1); or
- (ii) any surveyor other than the surveyor referred to in subsection (1) and whose name is specified in the list of surveyors referred to in section 73, to resurvey the land that was surveyed under the commission issued under subsection (1),

and the court may also direct the surveyor who executes the further commission to superimpose the plan prepared under the further commission on the plan prepared in the execution of the commission issued under subsection (1) or to carry out any other similar matter necessary for the adjudication of the action.

(c) In the execution of the further commission referred to in paragraph (b), the provisions of paragraph (a) of this subsection, the provisions of subsections (1), (3), (4), (5) and (6) of this section and the provisions of sections 17 and 18 shall *mutatis mutandis*, apply in respect thereof.”.

Amendment of  
section 17 of the  
principal  
enactment

**4.** Section 17 of the principal enactment is hereby amended in subsection (2) thereof, by the substitution for the words “after beat of tom-tom,” of the words “by way of public announcement made using a loudspeaker.”.

Amendment of  
section 18 of the  
principal  
enactment

**5.** Section 18 of the principal enactment is hereby amended in subparagraph (iv) of paragraph (a) of subsection (1) thereof, by the substitution for the words “the parties to the action who were present at the survey,” of the words “the parties to the action who were present at the survey, the nature of their claims”.

Amendment of  
section 23 of the  
principal  
enactment

**6.** Section 23 of the principal enactment is hereby amended in subsection (1) thereof, by the substitution for all the words from “Every party to a partition action shall,” to “a list filed as aforesaid.” of the words-

“Every party to a partition action shall, not less than thirty days before the date first fixed for the trial of the action, file or cause to be filed in the court a list of documents on which he relies to prove his rights, share or interest to, of or in the and together with an abstract of the contents of such documents and a list of witnesses. Where a party is allowed to intervene after the date first fixed for trial, such party shall file a list of documents and a list of witnesses within thirty days of such intervention. No party shall, except with the leave of the court which may be granted on such term as the court may determine, be permitted to put any document or witness in evidence on his behalf in the action if that document or witness is not listed in the lists filed as aforesaid.”.

*Partition (Amendment)  
Act, No. 27 of 2024*

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7. The following new section is hereby inserted immediately after section 24 of the principal enactment and shall have effect as section 24A of that enactment:-

Insertion of new section 24A in the principal enactment

“Amendments  
of pleadings

24A. (1) Upon an application made to the court before the day first fixed for trial of the action, in the presence of, or after reasonable notice to all the parties to the action, the court shall have full power of amending in its discretion, all pleadings in the action, by way of addition, or alteration, or of omission.

(2) On or after the date the case is first fixed for trial, no application for the amendment of any pleadings shall be allowed unless the court is satisfied for reasons to be recorded that grave and irremediable injustice will be caused or that a thorough investigation of title will be impeded, if such amendment is not permitted subject to costs or otherwise, and that the party so applying has not been guilty of laches.

(3) Any application for amendment of pleadings which may be allowed by the court under subsection (1) or (2) shall be upon such terms as to costs and postponement or otherwise as the court may think fit.

(4) The additions or alterations or omissions shall be clearly made on the face of the pleading affected by the order; or if this cannot conveniently be done, a fair copy of the pleading as altered shall be appended in the record of the action to the pleading amended. Every such addition or alteration or omission shall be signed by the Judge.”.



Amendment of section 27 of the principal enactment

**8.** Section 27 of the principal enactment is hereby amended by the repeal of subsection (3) thereof, and the substitution therefor of the following subsection:-

“(3) Where the court decides that the land or any portion thereof shall be partitioned, the commission under subsection (2) of this section shall be issued to the surveyor who made the preliminary survey under section 17 unless the court decides to issue it to any other surveyor whose name is specified in the list referred to in section 73 or where court deemed fit, notwithstanding anything to the contrary in section 73, to any other surveyor upon agreement of all parties who have been awarded any right by the interlocutory decree entered under section 26.”.

Amendment of section 30 of the principal enactment

**9.** Section 30 of the principal enactment is hereby amended in subsection (3) thereof, by the substitution for the words “after beat of tom-tom,” of the words “by way of public announcement made using a loudspeaker.”.

Replacement of section 36A of the principal enactment

**10.** Section 36A of the principal enactment is hereby repealed and the following section is substituted therefor:-

“Application for leave to appeal      36A. Any person dissatisfied with an order made by the court under section 36 may prefer an application for leave to appeal to the relevant High Court established by Article 154P of the Constitution in terms of subsection (2) of section 754 of the Civil Procedure Code (Chapter 101) against such order.”.

Amendment of section 45A of the principal enactment

**11.** Section 45A of the principal enactment is hereby amended in subsection (2) thereof, by the substitution for the words and figures “under sections 36A and 45A” of the words and figures “under sections 36 and 45”.

*Partition (Amendment)  
Act, No. 27 of 2024*

7

**12.** Section 52 of the principal enactment is hereby amended in subsection (1) thereof, by the substitution for the words “by motion in that behalf,” of the words “by motion in that behalf, within ten years from the date of such final decree or of the final decree, if any, on appeal affirming the same”.

Amendment of  
section 52 of the  
principal  
enactment

**13.** Section 57 of the principal enactment is hereby amended by the repeal of paragraph (d) of subsection (1) thereof, and the substitution therefor of the following paragraph:-

Amendment of  
section 57 of the  
principal  
enactment

“(d) the cost incurred in the display of the banner and the proclamation made under section 15 and the cost incurred in the proclamation made under section 17;”.

**14.** Section 67 of the principal enactment is hereby amended in subsection (3) thereof, by the substitution for the words “damage to the land” of the words “damage to the land, or making any alteration to the character of the land.”.

Amendment of  
section 67 of the  
principal  
enactment

**15.** The Second Schedule to the principal enactment is hereby amended as follows:-

Amendment of  
the Second  
Schedule to the  
principal  
enactment

(1) in the Form prescribed under subsection (2) of section 15 which bears the title “REPORT BY GRAMA NILADHARI”-

(a) by the substitution for the words and figures “(Section 15(2))” of the words and figures “(subsections (2) and (3) of section 15)”; and

(b) by the substitution for the words “I have exhibited the annexed notice with translations on the notice board of my office from ....19....to.....19” of the following:-

“I have exhibited the contents of the notice, including the Schedule of the land in a banner displayed in a conspicuous place in my office and in a conspicuous place in the land and orally proclaimed by way of public announcement made using a loudspeaker at such land and at a public place close to such land from .... to ...”; and

- (2) in the Form prescribed under subsection (1) of section 18 which bears the title “FORM OF SURVEYOR’S REPORT”, by the repeal of paragraph (vi) thereof, and the substitution therefor of the following:-

“(vi) parties present and the nature of their claims;”.

Avoidance of doubt

**16.** For the avoidance of doubt, it is hereby declared that the amendments made by section 3 of this Act to section 16 of the principal enactment shall apply to any action, proceeding or appeal instituted under the provisions of the principal enactment and pending or incomplete on the date of coming into operation of this Act.

Sinhala text to prevail in case of inconsistency

**17.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SHOP AND OFFICE EMPLOYEES (REGULATION OF  
EMPLOYMENT AND REMUNERATION)  
(AMENDMENT) ACT, No. 28 OF 2024**

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**[Certified on 13th of May, 2024]**

*Printed on the Order of Government*

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*Shop and Office Employees (Regulation of  
Employment and Remuneration) (Amendment)  
Act, No. 28 of 2024*

[Certified on 13th of May, 2024]

L.D.-O. 27/2022

AN ACT TO AMEND THE SHOP AND OFFICE EMPLOYEES (REGULATION  
OF EMPLOYMENT AND REMUNERATION) ACT (CHAPTER 129)

BE it enacted by the Parliament of the Democratic Socialist  
Republic of Sri Lanka as follows: -

1. This Act may be cited as the Shop and Office Employees  
(Regulation of Employment and Remuneration)  
(Amendment) Act, No. 28 of 2024.

Short title

2. Section 10 of the Shop and Office Employees  
(Regulation of Employment and Remuneration) Act  
(Chapter 129) (in this Act referred to as the “principal  
enactment”) is hereby amended as follows: -

Amendment  
of section 10  
of Chapter  
129

- (1) in subparagraph (iii) of paragraph (b) of subsection  
(2) thereof, by the substitution for the words and  
figures “between 6.00 p.m. and 8.00 p.m.; and” of  
the words and figures “between 6.00 p.m. and 8.00  
p.m.”;
- (2) in subparagraph (iv) of paragraph (b) of subsection  
(2) thereof, by the substitution for the words and  
figures “between 6.00 p.m. and 10.00 p.m.” of the  
words and figures “between 6.00 p.m. and 10.00  
p.m.; and”;
- (3) by the insertion, immediately after subparagraph  
(iv) of paragraph (b) of subsection (2) of the  
following: -

“(v) any female who has attained the age of  
eighteen years may be employed in any  
institution which is engaged in business,  
based on information technology and

2        *Shop and Office Employees (Regulation of  
Employment and Remuneration) (Amendment)  
Act, No. 28 of 2024*

knowledge process outsourcing or business  
process outsourcing, or engaged in  
administration and accounts or related work  
in a back office for an institute situated  
abroad before 6.00 a.m. or after 6.00 p.m. on  
any day.”.

Amendment of  
section 66 of the  
principal  
enactment

3. Section 66 of the principal enactment is hereby  
amended by the insertion immediately after paragraph (f) of  
subsection (2) thereof, of the following: -

“(fa) in respect of the terms and conditions to be  
followed by an employer who employs any  
females, relating to the welfare of such  
females, including their security, transport  
facilities and facilities to rest when such  
females are employed after 10.00 p.m. and  
before 6.00 a.m.”.

Amendment of  
section 68 of the  
principal  
enactment

4. Section 68 of the principal enactment is hereby  
amended as follows: -

- (1) in paragraph (a) thereof, in the definition of the  
expression “office”, by the substitution for the words  
“literature), and” of the words “literature);”;
- (2) in paragraph (b) thereof, by the substitution for the  
words “for the purposes of this Act;” of the words  
“for the purposes of this Act; and”;
- (3) by the addition, immediately after paragraph (b)  
thereof, of the following: -

“(c) any institution engaged in business, based  
on information technology and knowledge

*Shop and Office Employees (Regulation of  
Employment and Remuneration) (Amendment)  
Act, No. 28 of 2024* 3

process outsourcing or business process outsourcing or engaged in administration and accounts or related work in a back office in connection with any institution situated abroad;”.

**5.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in the case of inconsistency



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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
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**SAWEERA FOUNDATION (INCORPORATION)  
ACT, No. 29 OF 2024**

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*Saweera Foundation (Incorporation)*  
*Act, No. 29 of 2024*

[Certified on 12th of June, 2024]

L.D.—O. (Inc.) 22/2022

AN ACT TO INCORPORATE THE SAWEERA FOUNDATION

WHEREAS a Foundation called and known as the “Saweera Foundation” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Foundation according to the rules agreed to by its members: Preamble

AND WHEREAS the said Foundation has heretofore successfully carried out and transacted the several objects and matters for which it was established, and has applied to be incorporated, and it will be for the public advantage to grant the said application:

BE it therefore enacted by Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

**1.** This Act may be cited as the Saweera Foundation (Incorporation) Act, No. 29 of 2024. Short title

**2.** (1) From and after the date of commencement of this Act, such and so many persons as now are members of the “Saweera Foundation” (hereinafter referred to as the “Foundation”) or shall hereafter be admitted as the members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Saweera Foundation” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure. Incorporation of the Saweera Foundation

(2) The body corporate shall be deemed to be a voluntary social service organization within the meaning, and for the purpose of the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

2 *Saweera Foundation (Incorporation)*  
*Act, No. 29 of 2024*

General objects  
of the body  
corporate

**3.** (1) The general objects for which the body corporate is constituted are hereby declared to be to assist the relevant authorities with the consent of such authorities—

(a) to provide necessary training and support to the citizens of Sri Lanka with a view to promoting self-employment among them; and

(b) to conduct programmes for the youth to develop their leadership skills and personality,

subject to any applicable written law, to the extent permitted by such written law.

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, sex, political opinion, place of birth or any of such other grounds.

Body corporate  
to ensure no  
conflict with  
work of Ministry  
or Department of  
the Government  
or Provincial  
Council

**4.** The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council.

Management of  
the affairs of the  
body corporate

**5.** (1) Subject to the provisions of this Act and the rules made under section 7 the management and administration of the affairs of the body corporate shall be carried out by a Board of Management (hereinafter referred to as the “Board”) consisting of such number of office bearers as may be specified by the rules made under section 7.

(2) (a) The Board of Management of the Foundation holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b) of this subsection, function as an Interim Board of the body corporate until the first Board is appointed or elected in the manner provided for by the rules made under section 7.

(b) Subject to the provisions of section 7, the Interim Board of the body corporate shall have the powers to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board of the body corporate shall be taken by the majority of its members present.

(d) The first Board of the body corporate shall be appointed or elected within one year from the date of commencement of this Act.

(3) (a) Every office bearer of the Board including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or adviser shall be eligible for re-appointment or re-election after the lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from the office of an office bearer, the Board shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

4 *Saweera Foundation (Incorporation)*  
*Act, No. 29 of 2024*

Powers of the  
body corporate

**6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the powers to do, perform and execute all such acts and matters as are necessary or desirable for the promotion or furtherance of the objects of the body corporate or any one of them, including the powers—

- (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the Board with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Board shall obtain the prior written approval of the Department of External Resources, in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;

- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Board may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities, as may be determined by the body corporate in terms of the rules made under section 7 of this Act;
- (h) to organize lectures, seminars and conferences with a view to promoting the objects of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate;
- (j) to train officers and servants in Sri Lanka or abroad for the purposes of the body corporate; and
- (k) generally, to do all such acts and things authorized by this Act for the achievement of the objects of the body corporate.

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters:—

Rules of the  
body corporate

6 *Saweera Foundation (Incorporation)*  
*Act, No. 29 of 2024*

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members;
- (b) the election of the office bearers of the Board or vacation of or removal from the office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of various officers and servants of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Board or notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Board and the body corporate;
- (f) the administration and management of the property of the body corporate; and
- (g) generally, the management of the affairs of the body corporate and the accomplishment of its' objects dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof.



(4) Every rule made by the body corporate shall within three months of its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

**8.** The Board shall maintain a register of members in which name, address and other essential details of the members shall be inscribed. Register of members

**9.** (1) The body corporate shall have its own Fund. Fund of the body corporate

(2) All moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Board to the credit of the body corporate subject to the provisions of section 6(c).

(3) There shall be paid out of the Fund, all sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

**10.** (1) The financial year of the body corporate shall be the calendar year. Accounts and Auditing

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by a qualified auditor and be certified by such qualified auditor.

(4) For the purposes of this section “qualified auditor” means—

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka, or of any other Institute established by law, possesses a certificate to practise as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practise as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Board shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by a qualified auditor, to the Secretary of the Ministry of the Minister assigned the subject of youth affairs and to the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

**12.** All debts and liabilities of the Foundation existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Foundation on that day shall be paid to the body corporate for the purpose of this Act.

Debts due by and payable to the Foundation

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7 with powers to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate may hold property movable and immovable

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of moneys and property

**15.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Board who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

(2) The seal of the body corporate shall be in the custody of an office bearer of the Board as may be decided by such Board.

Property  
remaining on  
dissolution

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

(2) For the purposes of subsection (1), the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the  
rights of the  
Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or other corporate.

Interpretation

**18.** In this Act, unless the context otherwise requires—

“bank” means, a bank licensed under the provisions of the Banking Act, No. 30 of 1988; and

“written law” shall have the same meaning assigned to such expression in the Constitution.

Sinhala text to  
prevail in case of  
inconsistency

**19.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**KELANIYA BUDDHIST WOMEN'S CHARITABLE  
SOCIETY (INCORPORATION)  
ACT, No. 30 OF 2024**

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**[Certified on 12th of June, 2024]**

*Printed on the Order of Government*

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*Kelaniya Buddhist Women's Charitable Society  
(Incorporation) Act, No. 30 of 2024*

[Certified on 12th of June, 2024]

L.D.—O (Inc.) 06/2021

AN ACT TO INCORPORATE THE KELANIYA BUDDHIST WOMEN'S  
CHARITABLE SOCIETY

WHEREAS a Society called and known as the “Kelaniya Buddhist Women’s Charitable Society” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Society according to the rules agreed to by its members: Preamble

AND WHEREAS the said Society has heretofore successfully carried out and transacted the several objects and matters for which it was formed and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :-

1. This Act may be cited as the Kelaniya Buddhist Women's Charitable Society (Incorporation) Act, No. 30 of 2024. Short title

2. (1) From and after the date of commencement of this Act, such and so many persons as now are members of the Kelaniya Buddhist Women's Charitable Society (hereinafter referred to as the “Society”) and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Kelaniya Buddhist Women’s Charitable Society” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure. Incorporation of the Kelaniya Buddhist Women's Charitable Society

2 *Kelaniya Buddhist Women's Charitable Society  
(Incorporation) Act, No. 30 of 2024*

(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning and for the purpose of the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

General objects  
of the body  
corporate

3. The general objects for which the body corporate is constituted are hereby declared to be -

- (a) to provide facilities necessary for the enhancing of meditation methods to the Buddhists in Sri Lanka;
- (b) to collect the books and magazines written on Buddhism and published worldwide and make arrangements to have easy access to them by the Buddhists in Sri Lanka;
- (c) to co-ordinate and improve good relations with social servants, intellectuals, donators and benevolent people, welfare societies and welfare foundations in Sri Lanka for the purpose of assisting them in their endeavour in creating for a better tomorrow for people in Sri Lanka;
- (d) to print, publish and distribute books, hand bills and magazines written on Buddhism and Buddhist Philosophy which may be required by the Buddhist Society for the promotion and development of the objects of such Society with a view to facilitate the exchange of ideas and experience;
- (e) to work in collaboration with other unions, societies and organizations having objects similar in those of the Society; and



*Kelaniya Buddhist Women's Charitable Society* 3  
*(Incorporation) Act, No. 30 of 2024*

(f) to render assistance through the promotion of the practice of Buddhist principles to all persons seeking inner tranquility.

4. The objects of the body corporate shall be carried out in accordance with written law and in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council or any Local Authority.

Body corporate to ensure no conflict with work of Ministry or Department of the Government or any Provincial Council

5. (1) Subject to the provisions of this Act, and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a Board of Management (hereinafter referred to as the "Board") consisting of such number of office bearers as may be specified by the rules made under section 7.

Management of the affairs of the body corporate

(2) (a) The members of the Board of the Society holding office on the day immediately preceeding the date of commencement of this Act shall, subject to the rules made under paragraph (b), function as an Interim Board of the body corporate until the first Board is appointed or elected in the manner provided for by rules made under section 7.

(b) Subject to the provisions of section 7, the Interim Board of the body corporate shall have the power to make rules for the interim administration of the body corporate and for election or appointment of the members of the first Board of the body corporate, not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board shall be taken by the majority of its members present at such meeting.

(d) The First Board of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

4 *Kelaniya Buddhist Women's Charitable Society  
(Incorporation) Act, No. 30 of 2024*

(3) (a) Every office bearer of the Board including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Board shall, having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office for the unexpired portion of the term of office of the member whom he succeeds.

Powers of the  
body corporate

6. Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute the following acts for the achievement of the objects of the body corporate :-

- (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as may be determined by the Board with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Board shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank in Sri Lanka approved by the Board;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Board may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the objects of the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate;
- (h) to organize lectures, seminars and conferences with a view to promoting the objects of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate; and
- (j) to train officers and servants in Sri Lanka or abroad for the purposes of the body corporate.

6 *Kelaniya Buddhist Women's Charitable Society  
(Incorporation) Act, No. 30 of 2024*

Rules of the  
body corporate

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for the following matters:-

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members;
- (b) the election of office bearers of the Board or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of various officers, and servants of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate or of the Board, or notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Board and the body corporate;
- (f) the administration and management of the property of the body corporate;
- (g) the procedure governing the manner of liaising and co-ordinating with other local and foreign institutions having objects similar to that of the body corporate; and
- (h) generally the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.

*Kelaniya Buddhist Women's Charitable Society* 7  
*(Incorporation) Act, No. 30 of 2024*

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date of such publication.

(4) The members of the body corporate shall at all times be subject to the rules of the body corporate.

**8.** The Board shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

Register of  
members

**9.** (1) The body corporate shall have its own Fund.

Fund of the  
body corporate

(2) All moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall, subject to the provisions of section 6(c), be deposited in one or more banks approved by the Board to the credit of the body corporate.

(3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

**10.** (1) The financial year of the body corporate shall be the calendar year.

Accounts and  
Auditing

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

8 *Kelaniya Buddhist Women's Charitable Society  
(Incorporation) Act, No. 30 of 2024*

(3) The accounts of the body corporate shall be audited annually by the Auditor-General or a qualified auditor appointed by Auditor-General in terms of provisions of Article 154 of the Constitution and be certified by the Auditor-General or such qualified auditor.

(4) For the purposes of this section "qualified auditor" means-

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practise as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practise as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Board shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts and a list of all assets and liabilities of the body corporate certified by the Auditor-General or a qualified auditor referred to in section 10, to the Ministry of the Minister assigned the subject of Buddha Sasana under Article 44 or 45 of the Constitution and to the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

*Kelaniya Buddhist Women's Charitable Society* 9  
*(Incorporation) Act, No. 30 of 2024*

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate, the details of all contracts and agreements entered into by the body corporate and the rules of the body corporate made under section 7 during the financial year shall be attached to the report referred to in subsection (1).

**12.** All debts and liabilities of the Society existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Society on that day shall be paid to the body corporate for the purposes of this Act.

Debts due by and payable to the Society.

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate may hold property movable and immovable

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of moneys and property

**15.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Board who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

10 *Kelaniya Buddhist Women's Charitable Society  
(Incorporation) Act, No. 30 of 2024*

(2) The seal of the body corporate shall be in the custody of an office bearer of the Board as may be decided by the Board.

Property  
remaining on  
dissolution

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

(2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate with the approval of the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the  
rights of the  
Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.

Sinhala text to  
prevail in case of  
inconsistency

**18.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.



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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**PAVITHRA WANNIARACHCHI SAHURDA  
FOUNDATION (INCORPORATION)  
ACT, No. 31 OF 2024**

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[Certified on 18th of June, 2024]

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*Pavithra Wanniarachchi Sahurda Foundation  
(Incorporation) Act, No. 31 of 2024*

[Certified on 18th of June, 2024]

L.D.—O. (Inc.) 15/2022

AN ACT TO INCORPORATE THE PAVITHRA WANNIARACHCHI  
SAHURDA FOUNDATION

WHEREAS a Foundation called and known as the “Pavithra Wanniarachchi Sahurda Foundation” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Foundation according to the rules agreed to by its members as set out herein: Preamble

AND WHEREAS the said Foundation has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Pavithra Wanniarachchi Sahurda Foundation (Incorporation) Act, No. 31 of 2024. Short title

2. (1) From and after the date of commencement of this Act, such and so many persons as now are members of the “Pavithra Wanniarachchi Sahurda Foundation” (hereinafter referred to as the “Foundation”) and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Pavithra Wanniarachchi Sahurda Foundation” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure. Incorporation of the Pavithra Wanniarachchi Sahurda Foundation

2 *Pavithra Wanniarachchi Sahurda Foundation  
(Incorporation) Act, No. 31 of 2024*

(2) The body corporate shall be deemed to be a voluntary social service organization within the meaning, and for the purpose of the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

General objects  
of the body  
corporate

3. (1) Subject to any other written law, to the extent permitted by such law, the general objects for which the body corporate is constituted are hereby declared to be—

- (a) to promote and educate people on the life and the works of the late Darmadasa Wanniarachchi and the invaluable services rendered by him to people;
- (b) to assist the relevant authorities with the consent of such authorities-
  - (i) to organize cultural programmes to promote social and cultural values of different ethnic groups of Sri Lanka;
  - (ii) to organize programmes to promote racial and religious harmony and co-operation among people of Sri Lanka; and
  - (iii) to promote the welfare facilities of people of Sri Lanka.

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, sex, political opinion, place of birth or any of such grounds.

4. The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government, or of any Provincial Council, any local authority or any public corporation.

Body corporate to ensure no conflict with work of Ministry or Department of the Government or Provincial Council etc

5. (1) Subject to the provisions of this Act and any other written law, the management and administration of the affairs of the body corporate shall be carried out by a Board of Directors (hereinafter referred to as the “Board”) consisting of such number of office bearers as may be specified by rules made under section 7.

Management of the affairs of the body corporate

(2) (a) The Board of Directors of the Foundation holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b) of this subsection, function as the Interim Board of the body corporate until the first Board is appointed or elected in the manner provided for by rules made under section 7.

(b) Subject to the provisions of section 7, the Interim Board of the body corporate shall have the power to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board of the body corporate shall be taken by the majority of its members present.

(d) The first Board of the body corporate shall be appointed or elected within one year from the date of commencement of this Act.

4 *Pavithra Wanniarachchi Sahurda Foundation  
(Incorporation) Act, No. 31 of 2024*

(3) (a) Every office bearer of the Board including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or adviser shall be eligible for re-appointment or re-election after the lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Board shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

Powers of the  
body corporate

**6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute all such acts and things as are necessary or desirable for the achievement of the objects of the body corporate or any one of them, including the power—

(a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the Board with a view to promoting the objects of the body corporate;

(b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;

- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Board shall obtain the prior written approval of the Department of External Resources, in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Board may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities, as may be determined by the body corporate in terms of rules made under section 7 of this Act;
- (h) to organize lectures, seminars and conferences with a view to promoting the objects of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate; and

6 *Pavithra Wanniarachchi Sahurda Foundation  
(Incorporation) Act, No. 31 of 2024*

- (j) to train officers and servants in Sri Lanka or abroad for the purpose of the body corporate.

Rules of the  
body corporate

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act, or any other written law, for all or any of the following matters:—

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members;
- (b) the election of office bearers of the Board or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of various officers and servants of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Board or notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Board and the body corporate;
- (f) the administration and management of the property of the body corporate; and
- (g) generally, the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.



*Pavithra Wanniarachchi Sahurda Foundation*     7  
*(Incorporation) Act, No. 31 of 2024*

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under paragraph (b) of subsection (2) of section 5 and subsection (1) of this section shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof.

(4) Every rule made under paragraph (b) of subsection (2) of section 5 and subsection (1) of this section shall within three months of its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

**8.** The Board shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

Register of  
members

**9.** (1) The body corporate shall have its own Fund.

Fund of the  
body corporate

(2) All moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Board to the credit of the body corporate subject to the provisions of section 6(c).

8 *Pavithra Wanniarachchi Sahurda Foundation  
(Incorporation) Act, No. 31 of 2024*

(3) There shall be paid out of the Fund, all sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

Accounts and  
Auditing

**10.** (1) The financial year of the body corporate shall be the calendar year.

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by a qualified auditor and be certified by such qualified auditor.

(4) For the purposes of this section, “qualified auditor” means—

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practise as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practise as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Board shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by a qualified auditor, to the Secretary of the Ministry of the Minister assigned the subject of

Buddhasasana, Religious and Cultural Affairs and to the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

**12.** All debts and liabilities of the Foundation existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Foundation on that day shall be paid to the body corporate for the purposes of this Act.

Debts due by  
and payable to  
the Foundation

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate  
may hold  
property  
movable and  
immovable

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of  
moneys and  
property

10 *Pavithra Wanniarachchi Sahurda Foundation  
(Incorporation) Act, No. 31 of 2024*

Seal of the body  
corporate

**15.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Board who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

(2) The seal of the body corporate shall be in the custody of an office bearer of the Board as may be decided by such Board.

Property  
remaining on  
dissolution

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

(2) For the purposes of subsection (1), the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the  
rights of the  
Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or other body corporate.

Interpretation

**18.** In this Act, unless the context otherwise requires:—

“bank” means a bank licensed under the provisions of the Banking Act, No. 30 of 1988;

“local authority ” shall have the same meaning assigned to such expression in the Constitution;

*Pavithra Wanniarachchi Sahurda Foundation* 11  
*(Incorporation) Act, No. 31 of 2024*

“public corporation” shall have the same meaning assigned to such expression in the Constitution; and

“written law” shall have the same meaning assigned to such expression in the Constitution.

**19.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**INTERNATIONAL INSTITUTE OF THERAVADHA  
(INCORPORATION) ACT, No. 32 OF 2024**

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**[Certified on 18th of June, 2024]**

*Printed on the Order of Government*

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*International Institute of Theravadha  
(Incorporation) Act, No. 32 of 2024*

[Certified on 18th of June, 2024]

L.D.—O. (Inc.) 4/2023

AN ACT TO INCORPORATE THE INTERNATIONAL INSTITUTE OF  
THERAVADHA

WHEREAS an institute called and known as the “International Institute of Theravadha” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said institute according to the rules agreed to by its members:

Preamble

AND WHEREAS the said institute has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:-

1. This Act may be cited as the International Institute of Theravadha (Incorporation) Act, No. 32 of 2024

Short title

2. From and after the date of commencement of this Act, such and so many persons as now are members of the “International Institute of Theravadha” (hereinafter referred to as the “Institute”) and shall hereafter be admitted as members of the body corporate hereby constituted, shall have perpetual succession under the name and style of the “International Institute of Theravadha” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure.

Incorporation of  
the International  
Institute of  
Theravadha



2 *International Institute of Theravadha  
(Incorporation) Act, No. 32 of 2024*

General objects  
of the body  
corporate

3. (1) The general objects for which the body corporate is constituted are hereby declared to be -

- (a) to train Buddhist monks and lay devotees to be enriched with doctrinal knowledge and knowledge in meditation that is required to attain on their own the ultimate liberation of Nibbana, according to the Buddhist teachings;
- (b) to train Buddhist monks and lay devotees capable of guiding other Buddhist monks and lay devotees to attain the ultimate liberation of Nibbana, according to the Buddhist teachings;
- (c) to train Buddhist monks to perform formal acts of discipline (vinayakammas), according to the Theravadha Buddhist teachings, in order to sustain the Sasana;
- (d) to publish and translate books and any other reading materials related to the Theravadha teaching; and
- (e) to train and use the missionaries in order to propagate the dhamma expounded by the Buddha locally and internationally giving due respect to the prevailing laws and cultural values; and

subject to any applicable written law, to the extent permitted by such law.

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, gender, political opinion, place of birth or such other grounds.

4. The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body Corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council.

Body corporate to ensure no conflict with work of Ministry or Department of the Government or Provincial Council

5. (1) Subject to the provisions of this Act and the rules made under section 10, the management and administration of the affairs of the body corporate shall be carried out by an Executive Board consisting of such number of office bearers as may be specified by the rules made under section 10 of this Act.

Management of the affairs of the body corporate

(2) (a) The members of the Executive Board holding office on the day immediately preceding the date of commencement of this Act, shall subject to the rules made under paragraph (b) of this subsection, function as an Interim Board of the body corporate until the first Executive Board is appointed or elected in the manner Provided for by rules made under section 10 of this Act.

(b) Subject to the provisions of section 10, the Interim Board shall have the power to make rules for the interim administration of the body corporate and for election or appointment of the members of the first Executive Board of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board shall be taken by the majority of its members present at such meeting.

(d) The first Executive Board of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

4 *International Institute of Theravadha  
(Incorporation) Act, No. 32 of 2024*

(3) (a) Every office bearer of the Executive Board including the patrons and advisors, shall be appointed or elected for a period of six years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election:

Provided however, any person appointed or elected as the Chair of the Executive Board shall only be eligible for re-appointment or re-election for one further term, whether consecutive or otherwise.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Executive Board shall having regard to the rules of the body corporate, appoint or elect a person to fill such vacancy.

(c) The person appointed or elected under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

Senate Council  
of the Body  
Corporate

**6.** There shall be a body established and known as the Senate Council constituted with Tutor monks and Student monks of the body corporate to discuss issues related to Dhamma and Vinaya and decisions taken by the Executive Board and to forward comments, suggestions, proposals and recommendations regarding such issues to the body corporate and the executive board.

General  
assembly of the  
body corporate

**7.** (1) The General Assembly of the body corporate is known as the Supreme board and it shall consist of all the members of the body corporate.

(2) Subject to the provisions of section 10, the duty of the General Assembly shall be -

- (a) to elect the executive board of the body corporate in accordance with the rules of the body corporate;
- (b) to take decisions with regard to relocating the head office of the body corporate;
- (c) to take decisions in order to dissolve the body corporate;
- (d) to make and amend rules of the body corporate;
- (e) to make procedures of the general assembly by the rules of the body corporate;
- (f) to establish an executive board in order to carry out the executive affairs of the body corporate;
- (g) to elect the members of the executive board from the General Assembly by an election; and
- (h) to make by rules, the composition of the executive board, the sub-committees coming under such board, their functions and qualifications and appointments of the members of such sub-committees.

**8.** (1) There shall be a committee known as the Disciplinary Committee to look into all the disciplinary matters pertaining to all the members and trained and trainees of the body corporate.

Disciplinary  
Committee of  
the Body  
Corporate

(2) The composition, powers, functions and duties of the disciplinary committee shall be specified by rules made under section 10 of this Act.

6 *International Institute of Theravadha  
(Incorporation) Act, No. 32 of 2024*

Powers of the  
body corporate

9. Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute all such acts and things as are necessary or desirable for the achievement of the objects of the body corporate or any one of them, including the power -

- (a) to purchase rent, construct and renovate lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the executive Board with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind:

Provided that, the Executive Board shall obtain the prior written approval of the Department of External Resources, in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;

- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Executive Board may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and other employees of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate in terms of the rules made under section 10;
- (h) to assist the relevant authorities to organize lectures, seminars and conferences with a view to promoting the objects of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate; and
- (j) to train officers and other employees in Sri Lanka or abroad for the purposes of the body corporate.

**10.** (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters: -

Rules of the  
body corporate

- (a) the classification of membership, admission withdrawal, expulsion or resignation of members and fees payable by the members;

- (b) number of office bearers of the body corporate, executive board, senate council and disciplinary committee and qualifications and disqualifications to be a member of the body corporate, the executive board, senate council or disciplinary committee as the case may be;
- (c) the election of the office bearers, vacation of or removal from office of the office bearers of the body corporate, executive board, senate council and the functions of such office bearers;
- (d) the terms and conditions of appointment, powers, functions and duties of various officers and other employees of the body corporate;
- (e) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Executive Board, senate council and the disciplinary committee or notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (f) the administration and management of the property of the body corporate; and
- (g) generally, the management of the affairs of the body corporate and the accomplishment of its, objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof.

(4) Every rule made by the body corporate shall, within three months after its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

**11.** The Executive Board shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

Register of members

**12.** (1) The body corporate shall have its own Fund.

Fund of the body corporate

(2) All moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Executive Board to the credit of the body corporate subject to the provisions of paragraph (c) of section 9.

(3) There shall be paid out of the Fund, all sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

**13.** (1) The financial year of the body corporate shall be the calendar year.

Accounts and Auditing

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.



10 *International Institute of Theravadha  
(Incorporation) Act, No. 32 of 2024*

(3) The accounts of the body corporate shall be audited annually by a qualified auditor and be certified by such qualified auditor.

(4) For the purposes of this section “qualified auditor” means-

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by Law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

Annual Report

**14.** (1) The Executive Board shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by a qualified auditor, to the Secretary of the Ministry of the Minister assigned the subject of Buddhasasana, Religious and Cultural Affairs before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

**15.** All debts and liabilities of the Institute existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Institute on that day shall be paid to the body corporate for the purposes of this Act.

Debts due by and payable to Institute

**16.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 10, with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate may hold property movable and immovable

**17.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of moneys and property

**18.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Executive Board who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

(2) The seal of the body corporate shall be in the custody of an office bearer of the Executive Board as may be decided by such Executive Board.

12 *International Institute of Theravadha  
(Incorporation) Act, No. 32 of 2024*

Property  
remaining on  
dissolution

**19.** (1) If upon the dissolution of the body corporate, there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, such property shall not be distributed among the members of the body corporate, but, shall be given or transferred to any other institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

(2) For the purposes of subsection (1), the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the  
rights of the  
Republic

**20.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or other body corporate.

Interpretation

**21.** In this Act, unless the context otherwise requires:-

‘bank’ means a licensed commercial bank within the meaning of the Banking Act, No. 30 of 1988; and

‘‘written law’’ shall have the same meaning assigned to such expression in the Constitution.

Sinhala text to  
prevail in case of  
inconsistency

**22.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**PUBLIC DEBT MANAGEMENT  
ACT, No. 33 OF 2024**

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*Public Debt Management  
Act, No. 33 of 2024*

[Certified on 18th of June, 2024]

L. D.- O. 66/2023

AN ACT TO PROVIDE FOR PUBLIC DEBT MANAGEMENT INCLUDING THE AUTHORISATION TO BORROW, TO ISSUE AND TO SERVICE PUBLIC DEBT AND ISSUING GUARANTEES, ON-LENDING, ENTER INTO SUPPLIER'S CREDIT AND FINANCE LEASE AGREEMENTS; FOR THE ESTABLISHMENT OF THE PUBLIC DEBT MANAGEMENT OFFICE AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

**1.** (1) This Act may be cited as the Public Debt Management Act, No. 33 of 2024.

Short title and  
date of  
operation

(2) The provisions of this Act other than this section, shall come into operation on such date as the Minister may by Order published in the *Gazette* appoint (in this Act referred to as the "appointed date").

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

(4) The appointed date shall be a date not later than a period of six months from the date on which the provisions of this section come into operation.

**2.** This Act shall apply to the following entities: -

Application of  
this Act

- (a) Ministries, Departments, District Secretariats of the Government, and Special Spending Units;
- (b) statutory funds and trusts to which public finance is allocated with the approval of the Parliament;
- (c) State-owned enterprises;
- (d) Provincial Councils, Ministries, Departments, other institutions coming under the Provincial Councils and local authorities; and
- (e) any other entity.

Public debt  
management  
objectives

**3.** Public debt management is the process of establishing and executing a medium term to long term strategy for managing public debt with the following objectives:–

- (a) to meet financing needs and debt payment obligations on a timely basis;
- (b) to borrow at the lowest costs as possible over the medium term to long term, consistent with a prudent degree of risk; and
- (c) to promote the development of the domestic debt securities market.

#### PART I

##### ESTABLISHMENT OF THE PUBLIC DEBT MANAGEMENT OFFICE

Establishment of  
the Public Debt  
Management  
Office of  
Sri Lanka

**4.** There shall be established an office called the Public Debt Management Office (hereinafter referred to as the “Office”) within the Ministry of Finance which shall be responsible for the –

- (a) management of the debt of the Government;
- (b) issuance and management of loan guarantees;
- (c) management of on-lending operations; and
- (d) recording and reporting of public debt.

Director-General  
of the Office

**5.** (1) There shall be a Director-General appointed by the Cabinet of Ministers.

(2) The Director-General shall be the head of the Office and be responsible for the overall operations of the Office.

(3) The terms and conditions of employment including remuneration for all employees of the Office shall be determined by the prevailing Government regulations as may be applicable from time to time.

**6.** The Office shall exercise and perform the following powers and functions subject to the provisions of section 3:-

Powers and  
functions of the  
Office

- (a) preparation and publication of –
  - (i) the medium-term debt management strategy;
  - (ii) the annual borrowing plan; and
  - (iii) auction calendars for the issuance of Government securities;
- (b) negotiation of financial terms and conditions and execution of domestic and external borrowings, other credit arrangements and debt management activities of the Government:

Provided that, the Government’s external borrowings from bilateral and multilateral agencies shall be executed in coordination with the Department in charge of the subject of External Resources of the Treasury;
- (c) maintenance of relationships, as necessary for achieving and maintaining access to financial markets;
- (d) coordination of debt operations in relation to cash flow management with the Department in charge of the subject of Treasury Operations of the Treasury;
- (e) preparation and execution of debt related liability management operations;
- (f) assessment of the credit risk and advise on risk mitigation mechanism of loan guarantees and on-lending operations;
- (g) recording, reporting, dissemination and publication of public debt, loan guarantees, on-lending, suppliers’ credit and finance lease in accordance with this Act;



*Public Debt Management  
Act, No. 33 of 2024*

- (h) servicing of the debt of the Government on a timely basis in accordance with this Act;
- (i) preparation of debt service forecasts based on both present and forecasted debt of the Government; and
- (j) any other function, the Minister may assign in carrying out the objectives under section 3.

Powers of the Minister to issue guidelines and directions

**7.** The Minister may issue to the Office, such guidelines or directions in writing as are not inconsistent with the provision of this Act, relating to the policy to be followed in the exercise and performance of the powers and functions of the Office.

## PART II

### PUBLIC DEBT COORDINATING COMMITTEE

Establishment of the Public Debt Coordinating Committee

**8.** (1) There shall be a Public Debt Coordinating Committee appointed by the Minister (hereinafter referred to as the “Committee”) to coordinate at policy level, consisting of –

- (a) the Deputy Secretary to the Treasury who shall act as the Chairperson;
- (b) the Director-General of the department in charge of the subject of Treasury Operations of the Treasury;
- (c) the Director-General of the department in charge of the subject of Fiscal Policy of the Treasury;
- (d) the Director-General of the department in charge of the subject of External Resources of the Treasury;
- (e) the Director-General of the department in charge of the subject of National Budget of the Treasury;

- (f) the Director-General of the department in charge of the subject of Public Enterprises of the Treasury;
- (g) two officers of the Central Bank not below the rank of Director nominated by the Governor of the Central Bank; and
- (h) the Director-General of the Office.

(2) The Director-General of the Office shall nominate a senior officer of the Office to be the Secretary and the Convener of the Committee.

(3) The Committee shall meet at least once in every month.

**9.** The powers, duties and functions of the Committee shall be to:–

Powers, duties and functions of the Committee

- (a) review and opine on the debt management strategy and its updates prepared by the Office, ensuring the consistency of the debt management strategy with macroeconomic policies;
- (b) review and opine on the annual borrowing plan and its performance;
- (c) review domestic and international market conditions and provide recommendations on the risk associated with public debt and opportunities in the market and on official development assistance; and
- (d) perform such other functions as may be assigned to it by the Minister for the purposes of achieving the objectives under section 3.

**10.** (1) The quorum of the Committee shall be five members.

Quorum and meetings of the Committee

(2) A meeting of the Committee may be held either –

- (a) by the number of members who constitute a quorum being assembled at the place, date and time appointed for the meeting; or
- (b) by means of audio-visual communication by which all members participating and constituting a quorum can simultaneously see and hear each participating member for the duration of the meeting.

### PART III

#### GOVERNMENT BORROWING AND DEBT MANAGEMENT

Debt  
management  
strategy

**11.** (1) Subject to the provisions of section 3, a medium term debt management strategy (hereinafter referred to as the “strategy”) for the management of the debt of the Government shall be formulated and updated annually on a rolling five year horizon by the Office.

(2) Such strategy shall be reviewed by the Minister and submitted to the Cabinet of Ministers for its final approval. The Central Bank shall be given an opportunity to provide written comments on the draft strategy before the approval of the Cabinet of Ministers is granted.

(3) The approved strategy shall be aligned with the medium term fiscal framework and published in the official websites of the Ministry of Finance and of the Office and tabled in Parliament not later than the second reading of the Appropriation Bill of the year for which the strategy is prepared as an accompanying document of the Annual Budget Document.

(4) For the purposes of achieving the objectives under section 3, the strategy formulated and updated annually on a rolling five year horizon under subsection (1), constitutes the upcoming financial year and four succeeding financial years and shall take into account the following:–

- (a) the cost and risk embedded in the current public debt portfolio and outstanding derivative transactions;
- (b) future borrowing requirements;
- (c) the medium term fiscal framework;
- (d) market conditions; and
- (e) such other factors as may be relevant for the preparation of the strategy.

(5) The approved strategy shall be reviewed and updated at least annually by the Office. The updated strategy shall be submitted to the Cabinet of Ministers for approval and published in the official websites of the Ministry of Finance and of the Office thereafter.

(6) All borrowings and other debt management operations shall be in line with the strategy.

**12.** (1) Subject to the provisions of this Act, the Minister has the sole authority to borrow and issue debt securities within or outside Sri Lanka in local or foreign currencies on behalf of the Government of Sri Lanka.

Borrowing  
authorization

(2) Debt of the Government of Sri Lanka shall be charged on the Consolidated Fund.

**13.** (1) The purposes for which the Government may borrow are –

Borrowing  
purposes

- (a) to finance any deficit in the annual Government budget approved by Parliament;
- (b) to manage cash flow including to build up and maintain a liquidity buffer at a level or at a range determined by the Minister;
- (c) to lend funds to Provincial Councils, local authorities, State owned enterprises and any other entity as may be approved by Parliament;

- (d) to honour obligations under called Government guarantees;
- (e) to refinance outstanding debt of the Government, including repayment of a loan or credit prior to its maturity date and repurchase of Government debt securities;
- (f) to immediately respond to effects of unforeseen circumstances caused by a catastrophic emergency, in cases where the additional expenditure cannot be funded through virement procedures or through an allocation from the annual budget reserve or other similar mechanisms to make in-year adjustments to the annual budget as provided pursuant to relevant legislation for public financial management or through the Contingencies Fund under Article 151 of the Constitution;
- (g) to finance any expenditure that may arise under paragraphs (3) and (4) of Article 150 of the Constitution;
- (h) to support the balance of payments of Sri Lanka by replenishing its foreign currency reserves; and
- (i) for any other purpose as may be approved by Parliament.

(2) Where borrowing is for any of the purposes of paragraph (f) of subsection (1), the Minister shall as soon as practicable but not later than fifteen working days after the conclusion of such borrowing, inform Parliament of the terms and conditions of the borrowing.

Issuance of  
Government  
debt securities  
for the  
implementation  
of the monetary  
policy objectives

**14.** (1) At the request of the Central Bank, the Government may issue debt securities for the sole purpose of supporting the implementation of the monetary policy objectives.

(2) Where debt securities are issued under subsection (1), the proceeds from the issuance of the debt securities shall be deposited in a segregated account of the Central Bank and shall be used exclusively to redeem those debt securities.

(3) Any Cost to the Government resulting from the issuance of such debt securities shall be fully reimbursed by the Central Bank.

(4) These issuances shall not be subject to any borrowing limits and their outstanding values shall be recorded in the debt stock and reported in the annual report as a separate item under section 25.

(5) The responsibilities and procedure relating to the issuance of debt securities under this section shall be stipulated under a memorandum of understanding between the Minister on behalf of the Government and the Central Bank and comply with the provisions of the Central Bank of Sri Lanka Act, No. 16 of 2023.

**15.** (1) The Office shall prepare a borrowing plan for each financial year (in this Act referred to as the “borrowing plan”) to meet the aggregate borrowing requirement in accordance with the Appropriation Act for any given year. Such borrowing plan shall be reviewed at least half yearly.

Annual  
borrowing plan

(2) The borrowing plan shall take account of the determined strategy, annual gross borrowing ceiling and the cash flow forecast for the Government and include –

- (a) planned borrowings and other debt management operations over the year;
- (b) tentative instruments to be used and sources of borrowing; and
- (c) indicative timing of these operations.

(3) The borrowing plan and its updates shall be prepared in consultation with the relevant Departments of the Treasury and the relevant Government agencies as decided by the Secretary to the Treasury and shall be submitted for the approval of the Cabinet of Ministers.

(4) The Minister shall table the borrowing plan in Parliament not later than the second reading of the Appropriation Bill, as an accompanying document of the Annual Budget Document, and shall arrange for the separate publication of the borrowing plan document by the end of the financial year preceding the year for which the borrowing plan is prepared. The updated borrowing plan if any, shall be submitted to the Cabinet of Ministers for its approval and published in the official websites of the Ministry of Finance and of the Office.

Issuance of  
Government  
debt securities in  
the domestic  
market

**16.** (1) Issuance of Government debt securities in the domestic market by the Office shall either be by way of auction in accordance with the auction calendar or any other market based mechanism.

(2) The auction calendar shall be published in the websites of the Ministry of Finance and of the Office at least two weeks prior to the first issuance date planned under the auction calendar and shall cover a minimum of three calendar months on rolling basis from the date of its publication.

(3) On the recommendation of the Minister and with the approval of the Cabinet of Ministers, Government debt securities may be issued in the domestic market by way of non-market based mechanisms.

Borrowing  
directly by the  
Government

**17.** The Minister on the recommendation of the Office and on such terms and conditions approved by the Cabinet of Ministers may borrow from banks, other financial institutions, sovereign lenders or any other person or institution through loan agreements or obtaining advances by overdraft.

**18.** (1) The Minister or any other person specially authorised in writing by the Minister on behalf of the Government may, in accordance with the provisions of section 3 and the strategy, undertake liability management operations including –

Liability  
management  
operations

- (a) interest rate and currency swaps and other derivatives used as hedges against the financial risks embedded in the Government’s debt portfolio, having considered it prudent to do so for the purpose of effective public debt management;
- (b) buybacks and exchanges of Government debt securities; and
- (c) offering of early repayment of a loan prior to its date of maturity.

(2) Transactions related to liability management operations shall not be subject to any gross or net issuance limit stipulated in the annual budget and shall comply with the debt reduction objective pursuant to relevant legislation on fiscal responsibility and public financial management.

#### PART IV

##### GOVERNMENT LOAN GUARANTEES, GOVERNMENT ON-LENDING, SUPPLIERS’ CREDIT AGREEMENTS AND FINANCE LEASE AGREEMENTS

**19.** (1) Subject to the provisions of this Act, the Minister shall have the sole authority for the issuance and management of loan guarantees including the collection of loan guarantee fees on behalf of the Government in respect of obligations of a Provincial Council, local authority, State owned enterprise or any other entity:

Government  
loan guarantees



Provided that, the Minister shall take into consideration the following when issuing such loan guarantees: -

- (a) the borrower is not in any financial difficulty based on a credit risk assessment;
- (b) the loan guarantee is deemed to promote economic development of Sri Lanka; and
- (c) the loan guarantee shall be subject to the debt reduction objective in relation to the relevant written law on fiscal responsibility and public financial management.

(2) The issuance of loan guarantees in respect of obligations of any other entity other than Provincial Councils, local authorities or State owned enterprises shall be further subject to the approval of Parliament.

(3) Where the borrower is deemed to be in financial difficulty based on the credit risk assessment, the guarantee shall not be issued.

(4) Prior to submitting the issuance of a loan guarantee to the Cabinet of Ministers for approval, the Office shall assess and price the credit risk to the Government from such guarantee and recommend the risk mitigation mechanism including guarantee fees.

(5) The result of the risk assessment, the method used in the assessment and the proposed risk mitigation mechanism shall be submitted to the Cabinet of Ministers for its approval.

(6) Each loan guarantee shall be supported by relevant legal documentation executed by the borrower which includes provisions that agree to among others to repay any amount paid under the guarantee if called with interest as may be prescribed and to fully disclose any information requested by the Office.

(7) In the event that the borrower neglects or fails to make good on its obligations under the loan guarantee agreement, the Minister shall have the right to pursue any action necessary to recover from the borrower any money owed to the Government under such loan guarantee agreement.

**20.** (1) Subject to the provisions of this Act, the Minister shall have the sole authority to on-lend Government funds to a Provincial Council, local authority, State owned enterprise or any other entity: On-lending

Provided that, the Minister shall take into consideration the following when on-lending such Government funds: -

- (a) the borrower is not in any financial difficulty based on a credit risk assessment; and
- (b) the on-lending is deemed to promote economic development of Sri Lanka.

(2) The on-lending funds in respect of obligations of any other entity other than Provincial Councils, local authorities or State owned enterprises shall be further subject to the approval of Parliament.

(3) Where the borrower is deemed to be in financial difficulty, based on the credit risk assessment the on-lending transaction shall not take place.

(4) Prior to submitting the on-lending of Government funds to the Cabinet of Ministers for its approval, the Office shall, assess and price the credit risk to the Government in providing such loan and recommend the level of interest rate to cover the funding cost, any currency risk and the credit risk to the Government.

(5) The result of the risk assessment, the method used in the assessment and the proposed interest rate shall be submitted to the Cabinet of Ministers for its approval.

(6) The borrower shall pay an interest at the rate as approved by the Cabinet of Ministers on the recommendation of the Office that covers the funding cost, currency risk and the credit risk to the Government.

(7) Each on-lending transaction shall be supported by relevant legal documentation executed by the borrower and shall include an agreement to service its debt obligations on due dates and other terms and conditions including a clause on penal interest in the event the borrower neglects or fails to honour any payment obligations.

Supplier's Credit  
agreements  
entered into by  
the Government

**21.** (1) Subject to the provisions of this Act, the Minister shall have the sole authority to enter into supplier's credit agreements for procurement of capital goods or construction or maintenance for public investment projects on behalf of the Government.

(2) Supplier's credit agreements that come under the purview of the Office shall be as prescribed. Prior to entering into such agreements, the Office shall assess the cost incurred by the Government in entering into such agreements and send the recommendation to the Minister or to the person specially authorized by the Minister.

Finance lease  
agreements  
entered into by  
the Government

**22.** (1) Subject to the provisions of this Act, the Minister shall have the sole authority to enter into finance lease agreements on behalf of the Government.

(2) Finance lease agreements that come under the purview of the Office and the form, terms and duration of such agreements shall be as prescribed. Prior to entering into such agreements, the Office shall assess their cost to the Government and send the recommendation to the Minister or to the person specially authorised by the Minister.

#### PART V

##### RECORDS AND PUBLICATION OF PUBLIC DEBT AND FINANCE ARRANGEMENTS

**23.** (1) The Office shall maintain records of timely, comprehensive and accurate data and information of –

Records of  
Public debt and  
finance  
arrangements

- (a) outstanding public debt;
- (b) supplier's credit agreements;
- (c) finance lease agreements;
- (d) derivative transactions;
- (e) loan guarantees; and
- (f) on-lending operations,

in an appropriate database.

(2) In carrying out the functions under this section, the Office shall have the power to request from entities under

section 2, data and information concerning outstanding loan guarantees and on-lending, credit institutions coming under on-lending and non guaranteed debt and such other information as may be required under this Act.

Publication of  
Public debt and  
finance  
arrangements

**24.** The Office shall no later than sixty days from the end of each quarter, prepare and publish a quarterly statistical debt bulletin on public debt that provides accurate and timely information on, among others -

- (a) aggregate debt stock, debt flows, debt service cost, and redemption profile and risk measures of the debt portfolio and any new borrowing of the Government;
- (b) details of derivatives;
- (c) details of loan guarantees;
- (d) aggregate of non-guaranteed debt stock of State owned enterprises, Provincial Councils and local authorities;
- (e) details of on-lending facilities provided by the Government under section 20;
- (f) details of supplier's credit agreements entered into by the Government under subsection (2) of section 21;
- (g) details of finance lease agreements entered into by the Government under subsection (2) of section 22; and
- (h) the outstanding values of issuances of debt securities for the purpose of supporting the implementation of monetary policy objectives under section 14.

PART VI

ANNUAL REPORTING TO PARLIAMENT

**25.** (1) The Office shall for each year prepare an annual report on Government borrowings and other debt management operations, outstanding public debt, guarantees and on-lending activities and other finance arrangements entered into over the previous financial year.

Annual report of  
the Office to  
Parliament

- (2) The annual report shall include –
- (a) information on the strategy referred to in section 11 and its rationale;
  - (b) information on the contribution of the strategy and the borrowing plan, their execution in achieving the debt management objectives as stated in section 3 and the rationale for any deviations;
  - (c) debt disbursements and related debt services of the Government presented including by type of creditor and instrument;
  - (d) a list of the outstanding loan guarantees of the Government, issued to Provincial Councils, local authorities, State owned enterprises and any other entity including the amount;
  - (e) a list of loans on-lent including outstanding amounts;
  - (f) outstanding supplier's credit agreements and finance lease agreements which comes under the purview of the Office including the financial terms of those contracts;

- (g) information on any debt service arrears of the Government; and
- (h) any other information related to public debt management.

(3) The Minister shall review the draft annual report and submit it to the Cabinet of Ministers for its approval and table the approved annual report before Parliament not later than hundred and eighty days following the end of the preceding financial year and publish such approved annual report in the official websites of the Ministry of Finance and the Office.

## PART VII

### BORROWING AND ISSUANCE OF GUARANTEES BY STATE OWNED ENTERPRISES AND REPORTING BY PROVINCIAL COUNCILS, LOCAL AUTHORITIES AND STATE OWNED ENTERPRISES

Borrowing and issuance of guarantees to and by State owned enterprises

**26. (1)** Any public issue of debt securities and any raising of funds denominated in foreign currency by a State owned enterprise shall comply with the debt reduction objective pursuant to any law for the time being in force relating to fiscal responsibility and public financial management and shall require prior written approval of the Minister.

(2) The approval of the Minister under subsection (1) shall be accompanied by an assessment of the proposed debt based on the debt reduction objective, the current and projected fiscal, financial and debt environment. The criteria for assessment, the procedure and such other matters pertinent to the assessment may be as prescribed.

(3) For the purpose of obtaining approval for the public issue of debt securities and raising of funds under subsection (1), State owned enterprises shall submit to the Office all terms and conditions for each of these planned borrowings and a copy of the debt contract after the borrowing has taken place.

(4) Any issuance of guarantees to and by a State owned enterprise shall require the prior written approval of the Minister.

**27.** A State owned enterprise shall submit to the Office a record of its outstanding debt not later than forty five days after the end of each quarter and shall upon a request made under section 23, submit to the Office such information and data on its total outstanding debt including the non guaranteed debt as it may specify.

Reporting requirements of State owned enterprises

**28.** Each Provincial Council and local authority shall submit to the Office a record of its outstanding debt, including the outstanding non guaranteed debt, not later than forty five days after the end of each quarter.

Reporting requirements of Provincial Councils and local authorities

## PART VIII

### OFFENCES AND PENALTIES

**29.** (1) Every entity referred to in section 2 shall furnish information required by this Act to the Office within the period and in the form specified by the Office.

Obligation to provide information

(2) Any public officer or a governing body of an entity referred to in section 2, to whom the exercise of the powers, discharge of the duties and the performance of the functions of the entity are assigned is required to furnish information under subsection (1) -

(a) makes any false or misleading statement or declaration or gives any misleading information for any statement, declaration or information required to be made or given under this Act or regulation made thereunder;

(b) resists or obstructs the duties and functions of the Office; or



- (c) fails or refuses to furnish any information, document, report or material within the specified period unless prohibited by any other law for the time being in force,

commits an offence and upon conviction by a competent court be liable to a fine not exceeding twenty five thousand rupees or to a term of imprisonment not exceeding three months.

Protection of  
market-sensitive  
information

**30.** (1) When the disclosure of information contained in administrative acts, contracts, agreements or documentation related to the issuance, placement or repurchase of Government debt securities, could generate losses or conditions unfavourable to the interests of the Government, the respective administrative acts, contracts, agreements or documentation may be declared secret and reserved by the Office, until the information prior to the auction or respective transaction is provided in the market in the case of placement and repurchase. Immediately thereafter, all information shall be published.

(2) Any person who is involved in the implementation of the provisions of this Act and thereby becomes aware of, or has access to, information about intended activities or public debt operations, of which information the person knows are of confidential nature or should reasonably suspect, is obliged to maintain the confidentiality of such information, except to the extent that a legal obligation shall require the communication of such information prior to the intended activities or public debt operations.

(3) Any person who contravenes the provisions of subsection (1) or subsection (2) commits an offence and shall on conviction by a competent court, be liable to a fine not exceeding twenty five thousand rupees or to a term of imprisonment not exceeding three months or to both such fine and imprisonment.

PART IX

GENERAL

**31.** (1) The Minister may, where he considers it expedient to do so, appoint issuing agents, process agents, and other agents and the office shall have the authority to regulate, supervise and monitor such agents as may be prescribed.

Power to  
appoint agents  
and hire experts

For the avoidance of doubt, the power specified in this subsection includes the appointment of process agents, in the event where any legal disputes may be tried and settled in any other country.

(2) The Minister shall appoint primary dealers with the recommendation of the Central Bank to facilitate primary and secondary market transactions in Government debt securities.

(3) The appointment of primary dealers shall be subject to such terms and conditions as the Office may deem appropriate, and shall include the following:-

- (a) the financial standing of the entity;
- (b) the entity's experiences and the ability to perform the duties that will be imposed on it by or under this Act;
- (c) the entity's compliance with legal and regulatory requirements; and
- (d) public interest.

(4) The primary dealers appointed under the Local Treasury Bills Ordinance (Chapter 417) and Registered Stock and Securities Ordinance (Chapter 420) shall continue to be primary dealers under this Act and be subject to the Regulations made by the Minister under this Act.

(5) (a) The power to regulate, supervise and monitor the primary dealers appointed under subsection (2), and under the Local Treasury Bills Ordinance (Chapter 417) and the Registered Stock and Securities Ordinance (Chapter 420) shall be vested with the Central Bank;

(b) The offences committed or that may be committed by a primary dealer under the Local Treasury Bills Ordinance (Chapter 417) and the Registered Stock and Securities Ordinance (Chapter 420) shall be tried and proceeded with and be subject to the same punishment specified under the respective Ordinances and any investigation, examination that is or will be carried out or any suit, action or litigation instituted or to be instituted for such offences shall be carried out, heard or concluded as the case may be, under the provisions of the respective Ordinances.

(6) The Central Bank shall inform the Minister on non-compliance of the primary dealers with legal and regulatory requirements, which may constitute a ground for cancellation or suspension of its appointment as a primary dealer irrespective of its performance of duties as a primary dealer.

(7) The Minister may make regulations for the purpose of appointment of primary dealers and the conditions to be observed by, the privileges of and the duties to be performed by the primary dealers appointed under this Act.

(8) All rules, regulations, directions, determinations, Orders, approvals or refusals, notices, circulars, operating instructions, code of conduct or any other written communication made or issued by the Minister or the Central Bank or any officer of the Central Bank in respect of the

Primary dealers appointed under the Local Treasury Bills Ordinance (Chapter 417) and the Registered Stock and Securities Ordinance (Chapter 420) and subsisting or having effect on the day immediately preceding the appointed day shall continue to be in operation and be applicable to primary dealers appointed under this Act.

(9) The Minister may hire or retain the services of such professionals, consultants and experts, as may be necessary on such terms and conditions to be agreed upon, for the proper and effective performance of his functions under this Act:

Provided that, the cost of those appointments, if any, and the cost to hire professionals' consultants and experts shall be within the provisions of the relevant Appropriation Act.

(10) The Minister shall by Order published in the *Gazette* designate a securities depository system to electronically issue scripless securities, store holdings of and to record ownership and interests in such securities and to settle transactions in such securities in accordance with the relevant written law:

Provided that, until such designation is made, the Registry that is established and maintained by the Central Bank under the relevant laws for the securities issued by the Government shall continue to be in operation.

**32.** The Minister may, by Order published in the *Gazette* delegate to the Secretary to the Treasury, Deputy Secretary

Power to  
delegate

to the Treasury, or the Director-General of the Office as the case may be, any power conferred on the Minister by this Act subject to such conditions, reservations and restrictions as may be specified in such Order other than his power to make regulations in accordance with the provisions of section 35.

Consequences of unauthorised transactions and how to exclude them

**33.** The Government shall not be bound by the terms of any loan agreement, finance lease agreement, supplier's credit agreement, derivative or any guarantee issued, or purported to be contracted or issued for or on its behalf by any other, other than the Minister or public officer authorised in writing in that behalf by the Minister.

Protection from action

**34.** No civil or criminal proceedings shall be instituted against the Secretary to the Treasury, Deputy Secretary to the Treasury, Director-General or any employee of the Office or any member of the Committee as the case may be, for any act which in good faith is done or purported to be done or omitted to be done by him under this Act pursuant to and in the course of the exercise, performance and discharge of the powers, duties and functions on behalf of the Office, if he proves that he acted in good faith and exercised all due diligence, reasonable care and skill.

Regulations

**35.** (1) The Minister may on the recommendation of the Committee make regulations in respect of matters required by this Act to be prescribed or in respect of which regulations are necessary to be made in order to give effect to the objectives and the provisions of this Act.

(2) Every regulation made by the Minister shall be published in the *Gazette* and shall be brought before Parliament for its approval within three months of its publication in the *Gazette*. Such regulations shall come into force upon its approval by Parliament or any subsequent date as may be specified by Parliament. Any regulation which is not so approved shall be deemed to be rescinded from the date of such disapproval.

(3) Notification of the date on which any regulation is so disapproved shall be published in the *Gazette*.

**36.** (1) The provisions of this Act shall have effect notwithstanding anything to the contrary in any other written law and accordingly, in the event of any inconsistency or conflict between the provisions of this Act and such other written law, the provisions of this Act shall prevail.

Provisions of this Act to prevail over other written law

(2) Without limiting the generality of subsection (1), the provisions of this Act shall prevail in relation to the authority of the Minister to borrow, issue Government debt securities, loan guarantees, supplier's credit agreements and finance lease agreements and the appointment of primary dealers to facilitate primary and secondary market transactions in Government debt securities.

**37.** The applicability of section 132 of the Central Bank of Sri Lanka Act, No. 16 of 2023, shall come into operation on such date as the Minister may by Order published in the *Gazette* appoint within a period of eighteen months from the appointed date:

Interim arrangement to operationalise the Office

Provided that, notwithstanding the provisions of this section, the Office may perform its powers and functions under this Act.

**38.** Government debt Securities, loan agreements, finance lease agreements, supplier's credit agreements, derivatives or any guarantees issued or entered into, before the appointed date shall be deemed with effect from the appointed date to be entered into under this Act.

Arrangements for the applicability of existing borrowing instruments

**39.** In this Act, unless the context otherwise requires –

Interpretation

"Annual Budget Document" means the document prepared pursuant to relevant legislations for public financial management which consists of –

- (a) the estimates of revenue and expenditure in the forms as may be prescribed; and
- (b) the Appropriation Bill that includes, *inter alia* estimates of expenditure and borrowing ceilings;

“any other entity” means any entity established under the Companies Act, No. 07 of 2007 or any other written law and which is approved by Parliament to receive Government loan guarantees or on-lending funds;

“borrowing” means the procedures for raising funds by concluding loan agreements, obtaining advances from commercial banks and by issuing debt securities and “borrow” shall be construed accordingly;

“Central Bank” means Central Bank of Sri Lanka established by the Central Bank of Sri Lanka Act, No. 16 of 2023;

“debt” includes all financial liabilities created by –

- (i) borrowing;
- (ii) entering into supplier’s credit agreements and financial lease agreements;
- (iii) issuances of debt securities for any other purpose than borrowing; and
- (iv) assumptions of payment obligations under guaranteed loans that have been called;

“debt of the Government” means liabilities created by debt and debt raised by the entities specified under paragraphs (a) and (b) of section 2;

“debt securities” means securities issued in electronic (dematerialized) form or in paper form, to named persons or as bearer instruments and may be negotiable or non-negotiable which includes Treasury bills and bonds, promissory notes, certificates, notes, commercial papers or any other similar instruments by which money is raised from the public;

“derivatives” means instruments used for hedge against the financial risk embedded in the Government debt portfolio and may include interest and currency swaps or such similar instruments;

“finance lease agreements” means a long-term financial arrangement, whereby the user of the asset (the lessee) pays a series of rentals or instalments to the purchaser or the owner of that asset (the lessor) covering the full cost (including the financing costs and a profit margin of the lessor) of the leased asset and at the end of the lease has the option to acquire the asset at a fixed price;

“financial year” means the calendar year;

“Government” means the Government of the Democratic Socialist Republic of Sri Lanka;

“guarantee” means an explicit undertaking by the Government as the guarantor to guarantee the fulfillment of contracted obligations of another legal person or entity under certain specified conditions;



“loan guarantee” means a guarantee where the Government as the guarantor undertakes to honour the payment obligations of the borrower under the terms of a specific loan;

“local authorities” means all municipal councils, urban councils and pradeshiya sabhas;

“Minister” means the Minister assigned the subject of Finance under Article 44 or 45 of the Constitution;

“prescribed” means prescribed by regulations;

“public debt” means liabilities created by debt and debt of entities referred to in paragraphs (a), (b), (c) and (d) of section 2;

“Sovereign lenders” means Governments of foreign countries with whom Sri Lanka has diplomatic and trade relations or bilateral agreements and which are members of the United Nations Organization;

“special spending unit” means an entity, other than a Ministry, Department, District Secretariat or a Provincial Council that has been given an Expenditure Head in the relevant Appropriation Act;

“State owned enterprises” means with the exception of the Central Bank of Sri Lanka and financial institutions including insurance and leasing companies which part or all of whose business is to lend or borrow, an entity that is –

- (i) a Public Corporation within the meaning of the Constitution;

- (ii) entities established and operated under the Companies Act, No. 07 of 2007 in which the State has direct controlling interest by virtue of its shareholding; or
- (iii) State-owned corporations, converted in terms of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies under the Conversion of Public Corporations or Government Owned Business undertakings into Public Companies Act, No. 23 of 1987 or such other Acts in terms of which any business entity has been vested with the Government.

“statutory funds” means any fund, other than the Consolidated Fund, created or established by or under any written law for a specific purpose to which public finances are allocated excluding approved termination funds which includes thrift, savings or building society or welfare fund to which contributions are made by employees or, any gratuity fund maintained for the purpose of payment of gratuities to employees on the termination of their services under the relevant written law.

**40.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**INSTITUTE OF CHARTERED SHIPBROKERS  
OF SRI LANKA (INCORPORATION)  
ACT, No. 34 OF 2024**

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[Certified on 19th of June, 2024]

*Printed on the Order of Government*

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*Institute of Chartered Shipbrokers of Sri Lanka  
(Incorporation) Act, No. 34 of 2024*

[Certified on 19th of June, 2024]

L.D.—O. (Inc.) 1/2022

AN ACT TO INCORPORATE THE INSTITUTE OF CHARTERED SHIPBROKERS  
OF SRI LANKA

WHEREAS an Institute called and known as the “Institute of Chartered Shipbrokers of Sri Lanka” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Institute according to the rules agreed to by its members:

Preamble

AND WHEREAS the said Institute has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it, therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :-

1. This Act may be cited as the Institute of Chartered Shipbrokers of Sri Lanka (Incorporation) Act, No. 34 of 2024.

Short title

2. From and after the date of commencement of this Act, such and so many persons as now are members of the Institute of Chartered Shipbrokers of Sri Lanka (hereinafter referred to as the “Institute”) and shall hereafter be admitted as members of the body corporate hereby constituted, shall have perpetual succession under the name and style of the “Institute of Chartered Shipbrokers of Sri Lanka” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure.

Incorporation of  
the Institute of  
Chartered  
Shipbrokers of  
Sri Lanka

2 *Institute of Chartered Shipbrokers of Sri Lanka  
(Incorporation) Act, No. 34 of 2024*

General objects  
of the body  
corporate

3. (1) The general objects for which the body corporate is constituted are hereby declared to be-

- (a) to promote professionalism in the shipping arena among the members of the body corporate by providing them training opportunities in the shipping business;
- (b) to create awareness among persons involved in the ship broking business, of the advantage of employing well-educated staff having a proper understanding of the shipping business, in such field;
- (c) to hold seminars and workshops for the benefit of those employed in the ship broking business;
- (d) to provide study courses relevant to the qualifying examinations for membership of the body corporate;
- (e) to promote understanding and co-operation with institutions having objects similar to those of the body corporate within and outside Sri Lanka; and
- (f) to assist the relevant authorities with the consent of such authorities—
  - (i) to provide training in accordance with accepted principles of the shipping business to persons who desire to pursue a career in such business;
  - (ii) to conduct or provide to conduct courses of study and hold examinations in collaboration with recognized educational institutions in the field of shipping business; and
  - (iii) to undertake, promote and facilitate studies in the field of shipping business,

subject to any applicable written law, to the extent permitted by such law.

*Institute of Chartered Shipbrokers of Sri Lanka*     3  
*(Incorporation) Act, No. 34 of 2024*

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, gender, political opinion, place of birth or such other grounds.

4. The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government, or of any Provincial Council, Local Authority or public corporation.

Body corporate to ensure no conflict with work of Ministry or Department of the Government, or Provincial Council, Local Authority or public corporation

5. (1) Subject to the provisions of this Act, and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a Board of Management (hereinafter referred to as the “Board”) consisting of such number of office bearers as may be specified by the rules made under section 7.

Management of the affairs of the body corporate

(2) (a) The Board of the Institute holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b), function as an Interim Board of the body corporate until the first Board is appointed or elected in the manner provided for by rules made under section 7.

(b) Subject to the provisions of section 7, the Interim Board shall have the power to make rules for the interim administration of the body corporate, not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board shall be taken by the majority of its members present at such meeting.

4 *Institute of Chartered Shipbrokers of Sri Lanka  
(Incorporation) Act, No. 34 of 2024*

(d) The first Board of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Board including the patrons and advisers shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Board shall, having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

Powers of the  
body corporate

**6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute all such acts and matters as are necessary or desirable for the promotion or furtherance of the objects of the body corporate or any one of them, including the power-

- (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings, which may be required for the purposes of the body corporate and to deal with or dispose of the same as may be determined by the Board with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;



- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Board shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Board may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to those of the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate in terms of the rules made under section 7 of the Act;
- (h) to determine and levy fees, subscriptions and contributions in respect of membership and admission to membership of the body corporate;

6 *Institute of Chartered Shipbrokers of Sri Lanka  
(Incorporation) Act, No. 34 of 2024*

- (i) to determine and levy fees, in respect of admission to courses of study and examinations conducted by or on behalf of the body corporate in accordance with the consent of relevant authorities;
- (j) to compile a Code of Ethics to be followed by the members of the body corporate and secure adherence thereto by such members;
- (k) to organize and conduct conferences, seminars, forums, workshops and meetings relating to shipping business in Sri Lanka and abroad with a view to promoting the objectives of the body corporate;
- (l) to establish, promote, foster and maintain good relations with other local and foreign institutions having objects similar to those of the body corporate;
- (m) to train officers and servants in Sri Lanka or abroad for the purposes of the body corporate;
- (n) to assess the eligibility of candidates for admission to various grades of membership; and
- (o) generally, to do all such acts and things authorized by this Act for the achievement of the objects of the body corporate.

Rules of the  
body corporate

**7.** (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters:-

*Institute of Chartered Shipbrokers of Sri Lanka* 7  
*(Incorporation) Act, No. 34 of 2024*

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members and maintenance of a register of members;
- (b) the election of office bearers of the Board or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of various officers, agents and servants of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Board, or any sub-committee thereof, notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Board and the body corporate; and
- (f) generally, the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) shall be published in the *Gazette* and shall come into effect on the date thereof.

8 *Institute of Chartered Shipbrokers of Sri Lanka  
(Incorporation) Act, No. 34 of 2024*

(4) Every rule made by the body corporate shall, within three months after its publication in the *Gazette* be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

Register of  
members

**8.** The Board shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

Fund of the  
body corporate

**9.** (1) The body corporate shall have its own Fund.

(2) All moneys received by way of gifts, bequests, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Board to the credit of the body corporate, subject to the provisions of paragraph (c) of section 6.

(3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of the powers, duties and functions under the Act.

Accounts and  
Auditing

**10.** (1) The financial year of the body corporate shall be the calendar year.

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by a qualified auditor and be certified by such qualified auditor.

(4) For the purposes of this section, “qualified auditor” means-

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

**11.** (1) The Board shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by a qualified auditor to the Secretary to the Ministry of the Minister assigned the subject of Ports and Shipping, and to the Registrar of Voluntary Social Services Organization appointed under the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

Annual Report

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate, during the financial year shall be attached to the report referred to in subsection (1).

10 *Institute of Chartered Shipbrokers of Sri Lanka  
(Incorporation) Act, No. 34 of 2024*

Debts due by  
and payable to  
the Institute

**12.** All debts and liabilities of the Institute existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Institute on that day shall be paid to the body corporate for the purposes of this Act.

Body corporate  
may hold  
property  
movable and  
immovable

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange, or otherwise dispose of the same.

Application of  
moneys and  
property

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Seal of the body  
corporate

**15.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Board who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

(2) The seal of the body corporate shall be in the custody of an office bearer of the Board as may be decided by the Board.

**16.** For the purpose of discharging the debts and liabilities of the body corporate or for any other purpose, a member of the body corporate shall not be liable to make any contribution exceeding the amount of such subscription as may be due from such person to the body corporate.

Limitation of liability of members

**17.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities, any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

Property remaining on dissolution

(2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate with the approval of the Secretary to the Ministry of the Minister assigned the subject of Ports and Shipping and the Registrar of the Voluntary Social Services Organization appointed under the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980, immediately before the dissolution at a general meeting by the majority of votes of the members present.

**18.** In this Act, unless the context otherwise requires—

Interpretation

“bank” means a bank licensed under the provisions of the Banking Act, No. 30 of 1988;

“shipbroking business” means a professional service carried out by companies and individuals in the industry of shipping business;

12 *Institute of Chartered Shipbrokers of Sri Lanka  
(Incorporation) Act, No. 34 of 2024*

“shipping business” includes ship sale and purchase, ship management, dry cargo chartering, tanker chartering, port agency, liner trades, logistics and multimodal transport, port and terminal management, ship finance, shipping law, insurance, bunkering and ship classification;

“law” shall have the same meaning assigned to such expression in the Constitution;

“local authority” means any Municipal Council, Urban Council or Pradeshiya Sabha and includes any authority created or established by, or under, any law to exercise, perform or discharge the powers, duties and functions corresponding to or similar to the powers, duties and functions exercised, performed or discharged by any such Council or Sabha;

“public corporation” means any corporation, board or other body which was or is established by or under any written law other than the Companies Act, No. 07 of 2007, with funds or capital wholly or partly provided by the Government by way of grant, loan or otherwise; and

“written law” means any law and subordinate legislation including statutes made by a Provincial Council and regulations made under such statutes, Orders, Proclamations, Rules, By-Laws and Regulations made or issued by any body or person having power or authority under any law to make or issue the same.



*Institute of Chartered Shipbrokers of Sri Lanka* 13  
*(Incorporation) Act, No. 34 of 2024*

**19.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.

Saving of the rights of the Republic and others

**20.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

**DEDIGAMA SRI MAITHRI PRAGNARTHA  
BOUDDHA EDUCATIONAL DAHAM  
SABHAWA (INCORPORATION)  
ACT, No. 35 OF 2024**

**[Certified on 19th of June, 2024]**

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*Dedigama Sri Maithri Pragnartha Bouddha  
Educational Daham Sabhawa (Incorporation)  
Act, No. 35 of 2024*

[Certified on 19th of June, 2024]

L.D.—O. (Inc.) 2/2021

AN ACT TO INCORPORATE THE DEDIGAMA SRI MAITHRI  
PRAGNARTHA BOUDDHA EDUCATIONAL DAHAM SABHAWA

WHEREAS a Foundation called and known as the  
“Dedigama Sri Maithri Pragnartha Bouddha Educational  
Daham Sabhawa” has heretofore been established in  
Sri Lanka for the purpose of effectually carrying out its  
objects and transacting all matters connected with the said  
Foundation according to the rules agreed to by its members:

Preamble

AND WHEREAS the said Foundation has heretofore  
successfully carried out and transacted the several objects  
and matters for which it was established and has applied to  
be incorporated and it will be for the public advantage to  
grant the said application:

BE it therefore enacted by the Parliament of the Democratic  
Socialist Republic of Sri Lanka as follows:—

**1.** This Act may be cited as the Dedigama Sri Maithri  
Pragnartha Bouddha Educational Daham Sabhawa  
(Incorporation) Act, No. 35 of 2024.

Short title

**2.** (1) From and after the date of commencement of this  
Act, such and so many persons as now are members of the  
Dedigama Sri Maithri Pragnartha Bouddha Educational  
Daham Sabhawa (hereinafter referred to as the “Foundation”)  
and shall hereafter be admitted as members of the body  
corporate hereby constituted shall have perpetual succession  
under the name and style of the “Dedigama Sri Maithri  
Pragnartha Bouddha Educational Daham Sabhawa”  
(hereinafter referred to as the “body corporate”), and by that  
name may sue and be sued with full power and authority to  
have, and use a common seal and to alter the same at its  
pleasure.

Incorporation  
of the  
Dedigama Sri  
Maithri  
Pragnartha  
Bouddha  
Educational  
Daham  
Sabhawa

2 *Dedigama Sri Maithri Pragnartha Bouddha  
Educational Daham Sabhawa (Incorporation)  
Act, No. 35 of 2024*

(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning and for the purpose of the Voluntary Social Services Organizations (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

General objects  
of the body  
corporate

3. Subject to the provisions of any other written law the general objects for which the body corporate is constituted are hereby declared to be—

- (a) to promote and guide the Buddhist adherence to practice “prathipathi pooja” to reach Nibbana;
- (b) to publish books relating to Buddhism for the enhancement and development of religious knowledge on Seela, Samadhi and Pragnya of the Buddhist adherence;
- (c) to safeguard and practice the “Kathikavatha” of Dedigama Sri Maithri Pragnartha thero;
- (d) to take steps to enhance the knowledge of newly ordained monks and lay Buddhists attached to the Dedigama Sri Maithri Pragnartha Bouddha Educational Daham Sabhawa by teaching Damma through the guidance of the adult monks who possess and in-depth understanding of the Buddhist doctrine and discipline;
- (e) to distribute the four requisites received by the Buddhist Monks attached to the Sri Sambodhi Aranya Senasanas belonging to the Dedigama Sri Maithri Pragnartha Bouddha Educational Daham Sabhawa for the use of other Buddhist monks attached to the Sri Maithri Pragnartha Bouddha Educational Daham Sabhawa in order to establish equality;

*Dedigama Sri Maithri Pragnartha Bouddha*      3  
*Educational Daham Sabhawa (Incorporation)*  
*Act, No. 35 of 2024*

- (f) to facilitate activities relating to Buddhism for the usage of Bhikku, Bhikkuni, Upasaka and Upasika in order to achieve the goals of Sri Maithri Pragnartha Bouddha Educational Daham Sabhawa;
- (g) to work in compliance with the constitution of the Dedigama Sri Maithri Pragnartha Bouddha Educational Daham Sabhawa;
- (h) to conduct sil and meditation programmes on Poya days and conduct Damma discussions on every week to guide Buddhist adherence to reach Nibbana and to abstain from sinful acts by giving prominence to Principles of Buddhism;
- (i) to take steps to protect the books, videos and Damma speeches relating to the religious activities of Venerable Dedigama Sri Maithri Pragnartha thero; and
- (j) to set up new Sri Sambodhi Aranya Senasana in areas where groups of Buddhist adherence who practice Buddhism live and who wish to contribute for such Sri Sambodhi Aranya Senasana.

**4.** The objects of the body corporate shall be carried out subject to necessary approvals under applicable written laws in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council, Local Authority or public Corporation.

Body corporate to ensure no conflict with the work of Ministry or Department of the Government or Provincial Council, etc.

4        *Dedigama Sri Maithri Pragnartha Bouddha  
Educational Daham Sabhawa (Incorporation)  
Act, No. 35 of 2024*

Management of  
the affairs of the  
body corporate

**5.** (1) Subject to the provisions of this Act, any other written law and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a Committee of Management (hereinafter referred to as the “Committee”) consisting of such number of office bearers as may be specified by the rules made under section 7.

(2) (a) The members of the Committee of Management of the Foundation holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b), function as an Interim Committee of the body corporate until the first Committee is appointed or elected within the period specified in paragraph (d) and in the manner provided for by rules made under section 7.

(b) Subject to the provisions of section 7, the Interim Committee of the body corporate shall have the power to make rules for the interim administration of the body corporate and for election or appointment of the members of the first Committee of the body corporate not inconsistent with the provisions of this Act or any other written law:

Provided that, the provisions of subsections (2) and (3) of section 7 shall *mutatis mutandis* apply to the rules made under subsection (2).

(c) Any decision of the Interim Committee shall be taken by the majority of its members present at such meeting.

(d) The first Committee of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

*Dedigama Sri Maithri Pragnartha Bouddha*      5  
*Educational Daham Sabhawa (Incorporation)*  
*Act, No. 35 of 2024*

(3) (a) Every office bearer of the Committee including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Committee shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

**6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute the acts and matters as are necessary or desirable for the promotion or attainment of the objects of the body corporate or any one of them, including the following power—

Powers of the  
body corporate

- (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the Committee with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;



6      *Dedigama Sri Maithri Pragnartha Bouddha  
Educational Daham Sabhawa (Incorporation)  
Act, No. 35 of 2024*

- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind:

Provided that, the Committee shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Committee may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and other employees of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities, as may be determined by the body corporate;
- (h) to organize, lectures, seminars and conferences with a view to promoting the objects of the body corporate;

*Dedigama Sri Maithri Pragnartha Bouddha* 7  
*Educational Daham Sabhawa (Incorporation)*  
*Act, No. 35 of 2024*

- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate;
- (j) to train personnel in Sri Lanka or abroad with a view to promoting the objects of the body corporate for the purposes of the body corporate; and
- (k) to do all other acts and things authorized by this Act for the achievement of the objects of the body corporate.

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters:—

Rules of the  
body corporate

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members;
- (b) the election of office bearers of the Committee or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of various officers and employees of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the Committee or notices and agenda of such meetings, the quorum and the conduct of business thereat;

8      *Dedigama Sri Maithri Pragnartha Bouddha  
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- (e) the qualifications and disqualifications to be a member of the Committee and the body corporate;
- (f) the administration and management of the property of the body corporate;
- (g) the procedure governing the manner of liaising and coordinating with other local and foreign institutions having objects similar to that of the body corporate; and
- (h) generally, the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1), shall be published in the *Gazette* and shall come into effect on the date thereof.

(4) Every rule made by the body corporate within three months after its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

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- 8.** The Committee shall maintain a register of members in which name, address and other essential details of the members shall be inscribed. Register of members
- 9.** (1) The body corporate shall have its own Fund. Fund of the body corporate
- (2) All moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Committee to the credit of the body corporate subject to the provisions of section 6(c).
- (3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.
- 10.** (1) The financial year of the body corporate shall be the calendar year. Accounts and Auditing
- (2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.
- (3) The accounts of the body corporate shall be audited annually by a qualified auditor appointed by Auditor General in terms of provisions of Article 154 of the Constitution and be certified by such qualified Auditor.
- (4) For the purposes of this section “a qualified auditor” means—

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- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Committee shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts and a list of all assets and liabilities of the body corporate certified by a qualified Auditor referred to in section 10 to the Secretary of the Ministry of the Minister assigned the subject of Buddhasasana and to the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Services Organizations (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate, the details of all contracts and agreements entered into by the body corporate and the rules of the body corporate made under section 7 during the financial year shall be attached to the report referred to in subsection (1).

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**12.** All debts and liabilities of the Foundation existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Foundation on that day shall be paid to the body corporate for the purposes of this Act.

Debts due by  
and payable to  
the Foundation

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate  
may hold  
property  
movable and  
immovable

**14.** Subject to the provisions of this Act and any other written law the moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of  
moneys and  
property

**15.** (1) The Seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Committee who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body  
corporate

(2) The Seal of the body corporate shall be in the custody of an office bearer of the Committee as may be decided by the Committee.

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Property  
remaining on  
dissolution

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

(2) For the purposes of subsection (1) the appropriate institution to which the property remains after the satisfaction of all the debts and liabilities of the body corporate to be given or transferred shall be determined by the members of the body corporate with the approval of the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Services Organizations (Registration and Supervision) Act, No. 31 of 1980 immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the  
rights of the  
Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.

Interpretation

**18.** In this Act, unless the context otherwise requires—

“Bank” means a licensed commercial bank under the provisions of Banking Act, No. 30 of 1988;

“Kathikawatha of Dedigama Sri Maithri Pragnartha thero” means a set of principals and disciplines preached by Venerable Sri Maithri Pragnartha thero

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to the Buddhist adherence attached to the Sri Maithri Pragnartha Bouddha Educational Daham Sabhawa in order to lead them for a disciplined life with the ultimate goal of attaining the supreme bliss of Nirvana, based on Dhamma preaching's of Lord Buddha;

“Local Authority” means a Municipal Council, Urban Council or a Pradeshiya Sabha and any authority created or established by or under any law to exercise, perform and discharge powers, duties and functions corresponding or similar to the powers, duties and functions exercised, performed and discharged by any such Council or Sabha;

“public corporation” means any Corporation, board or other body which was or is established by or under any written law other than the Companies Act, No. 07 of 2007, with funds or capital wholly or partly provided by the Government by way of grant, loan or otherwise; and

“written law” means any law and subordinate legislation including statutes made by a Provincial Council, Orders, Proclamations, Rules, By-Laws and Regulations made or issued by any body or person having power or authority under any law to make or issue the same.

**19.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency



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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SRI LANKA ELECTRICITY  
ACT, No. 36 OF 2024**

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**[Certified on 27th of June, 2024]**

*Printed on the Order of Government*

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*Sri Lanka Electricity Act, No. 36 of 2024*

[Certified on 27th of June, 2024]

L.D.—O. 1/2023

AN ACT TO PROVIDE FOR THE IMPLEMENTATION OF REFORMS TO THE ELECTRICITY INDUSTRY; TO PROVIDE FOR THE ESTABLISHMENT OF THE NATIONAL ELECTRICITY ADVISORY COUNCIL; TO PROVIDE FOR THE PUBLIC UTILITIES COMMISSION OF SRI LANKA, ESTABLISHED UNDER THE PUBLIC UTILITIES COMMISSION OF SRI LANKA ACT, NO. 35 OF 2002 TO BE THE REGULATOR FOR THE ELECTRICITY INDUSTRY IN TERMS OF THIS ACT; TO PROVIDE LEGISLATIVE MEASURES APPLICABLE TO THE INCORPORATION OF CORPORATE ENTITIES UNDER THE COMPANIES ACT, NO.07 OF 2007 IN WHOM ALL ACTIVITIES CONNECTED TO THE GENERATION, TRANSMISSION, DISTRIBUTION, TRADE, SUPPLY AND PROCUREMENT OF ELECTRICITY SHALL VEST; TO SPECIFY THE PROCESSES TO BE APPLICABLE TO ALL RELATED ACTIVITIES; TO REPEAL THE CEYLON ELECTRICITY BOARD ACT, NO. 17 OF 1969 AND THE SRI LANKA ELECTRICITY ACT, NO. 20 OF 2009 AND TO PROVIDE FOR ALL MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

WHEREAS the need for reforms to the existing institutional framework of the Electricity Industry which duly recognises the need, and is designed to attract new investment into the Electricity Industry supported by segregation and separation of the activities of the Electricity Industry currently vested in a single Government owned entity by the incorporation of independent corporate entities in whom shall be vested all activities connected with the generation, transmission, distribution, trade, supply and procurement of electricity and who shall be responsible for the efficient management of these activities and for the creation of market competition in these activities:

Preamble

AND WHEREAS a process commencing with the preparation of a scheme for the transition and reorganisation of the Electricity Industry and the implementation of identified reforms based on timely and essential legal, structural, oversight and market based changes; the reforms seek to ensure financial self-sufficiency of the corporate entities to

be established under this Act, through a transparent system of tariffs, transparent financial, investment and resource management and improved accountability and oversight measures, to facilitate private sector investment in every activity of the Electricity Industry using stock market listing and public private partnership modalities:

AND WHEREAS it is also necessary to recognise the Government of Sri Lanka's commitment to the evolution of the Electricity Industry through the implementation of its decarbonisation goals, climate change policies and the enhancement of the contribution of renewable energy to the generation of electricity facilitated by modern technology and processes to optimise generation of energy from domestic renewable energy sources to minimize the dependence on imported fossil fuel sources and adaptation of emerging technologies in energy conversion, storage and management to facilitate the integration of renewable energy and to promote competition amongst alternate processes of generation of electricity in an efficient and transparent manner:

NOW THEREFORE, BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

Short title and  
dates of  
operation

**1.** (1) This Act may be cited as the Sri Lanka Electricity Act, No. 36 of 2024.

(2) The provisions of this Act other than the provisions of this section, section 2, section 3, section 4, section 9, subsection (1) of section 10, paragraph (b) of subsection (2) of section 10, subsection (3) of section 10, subsection (5) of section 10, section 14, section 15, section 17, section 18, section 38, section 39 and the sections specified in subsection (4) of this section shall come into operation on such date as shall be appointed by the Minister by Order published in the *Gazette* (hereinafter referred to as the "appointed date"):

Provided that, prior to making such Order, the Minister shall be satisfied that the Preliminary Transfer Plan, the National Electricity Policy, including the National Tariff Policy, the Annual Power Procurement Plan and the Long Term Power System Development Plan have been prepared, approved and are in place in accordance with the provisions of this Act:

Provided further, if no appointed date is published in the *Gazette* as required by this subsection even though the Minister is satisfied that the requirements in the first proviso have been met, the provisions of this Act, other than the provisions of this section, section 2, section 3, section 4, section 9, subsection (1) of section 10, paragraph (b) of subsection (2) of section 10, subsection (3) of section 10, subsection (5) of section 10, section 14, section 15, section 17, section 18, section 38, section 39 and the sections specified in subsection (4) of this section shall come into operation immediately upon the expiry of twelve months from the date on which the Bill becomes an Act of Parliament.

(3) The provisions of this section, section 2, section 3, section 4, section 9, subsection (1) of section 10, paragraph (b) of subsection (2) of section 10, subsection (3) of section 10, subsection (5) of section 10, section 14, section 15, section 17, section 18, section 38 and section 39 shall come into operation on the date on which the Bill becomes an Act of Parliament.

(4) The Minister may, taking into consideration the special circumstances required by this Act to be created or fulfilled for the implementation of the provisions specified in paragraphs (a) and (b) of this subsection, appoint by Order published in the *Gazette*, different dates for the coming into operation of each of such sections as follows:-

(a) the date from which the provisions of section 13 relating to open access shall come into operation; and

(b) the date from which the provisions of Part IX relating to the Wholesale Electricity Market shall come into operation.

(5) Every Order made in terms of subsection (4), shall within ninety days from the date of publication of the relevant Order in the *Gazette* be placed before Parliament:

Provided that, the Orders required to be made in terms of subsection (4) shall be made before the expiry of a period of five years from the date on which the Bill becomes an Act of Parliament. If no Order has been made within this period of five years, the provisions of the sections referred to in subsection (4) shall be deemed to come into operation on the date on which the said period of five years expires:

Provided further, the Minister may, at any time within three months prior to the expiration of the said five years, with the approval of the Cabinet of Ministers extend such period, by Order published in the *Gazette* for another period of one year at a time so however, the aggregate period of such extensions shall not exceed five years.

## PART I

### OBJECTS OF THE ACT

Objects of the Act

**2.** The objects of this Act, in relation to the generation, transmission, distribution, trade, supply and procurement of electricity shall be -

(a) to ensure improved Electricity Industry performance through independent and

accountable corporate entities responsible for the provision and maintenance, of a well-coordinated, efficient and economical system of electricity supply throughout Sri Lanka at all times, through transparent policies;

- (b) to facilitate the establishment of independent and accountable corporate entities for the efficient supply of electricity throughout the country and to protect the interests of the consumers;
- (c) to promote and facilitate the establishment and functioning of the Wholesale Electricity Market;
- (d) to promote competition in the Electricity Industry by eliminating preferential treatment and barriers to entry, allowing open competitive procurement of new generation capacity including renewable energy, implementing transparent, merit order dispatch of generation capacity and providing non-discriminatory access to the transmission network for all types of generation technologies and consumers;
- (e) to ensure that entities to whom licences have been granted under this Act (hereinafter referred to as “licensees”) will act efficiently in carrying out the activities authorised or required by the respective licences issued to them;
- (f) to ensure that all reasonable demands for electricity, including future requirements for electricity are met, whilst ensuring efficient use of electricity supplied to all premises;

- (g) to protect the public from dangers arising from the generation, transmission, distribution, trade, supply and procurement of electricity by improved safety standards, reliability and quality of services;
- (h) to identify the tariff principles to ensure affordability of electricity to all consumers and financial viability of licensees; and
- (i) to provide for the decarbonization of the Sri Lankan Electricity Industry and the promotion of renewable energy and energy integration in accordance with Sri Lanka's national policies and its international obligations whilst ensuring optimal use of natural resources.

## PART II

### NATIONAL ELECTRICITY ADVISORY COUNCIL, THE NATIONAL ELECTRICITY POLICY AND THE ISSUE OF POLICY GUIDELINES

Establishment of  
the National  
Electricity  
Advisory  
Council

**3.** (1) There shall be established for the purposes of this Act, a Council which shall be called and known as the "National Electricity Advisory Council" (hereinafter referred to as the "Council").

(2) The Council shall by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued by such name.

(3) (a) The Council shall be charged with the responsibility of advising the Minister in formulating the national electricity policy in respect of -



- (i) matters relating to the Electricity Industry and formulation of the national electricity policy in terms of section 4 of this Act;
- (ii) matters relating to the implementation of the Electricity Industry reforms in accordance with the provisions of this Act, relating to the generation, transmission, distribution, trade, supply and procurement of electricity in Sri Lanka;
- (iii) on the modalities relating to the formulation of proposals and plans for the development of the Electricity Industry including the establishment of competitive electricity markets including interconnections with regional markets through the reform process in order to ensure its successful implementation;
- (iv) optimal utilisation of indigenous energy resources, including renewable energy, modern technologies and energy efficiency to meet the electricity demand at lowest economic cost;
- (v) matters related to the preparation of the Long Term Power System Development Plan in terms of the national electricity policy under the provisions of this Act;
- (vi) matters relating to the formulation of the national tariff policy, in consultation with the Ministry of Finance and the Regulator, to ensure consumer affordability, financial sustainability and reasonable return on the investments of the regulated entities; and
- (vii) any other matter connected with or arising out of the national electricity policy.

(b) The Council may, in discharging its responsibilities under this subsection, consult the relevant stakeholders and shall act in good faith and in the best interests of the country and the consumers.

(4) The Council shall consist of following seven members appointed by the Minister, with the approval of the Cabinet of Ministers, one of whom shall be appointed by the Minister as the Chairperson of the Council: -

- (a) Secretary to the Ministry of the Minister;
- (b) Director General of the Department of National Planning;
- (c) Director General of Sri Lanka Sustainable Energy Authority;
- (d) a person who has expertise, reached eminence and has at least twenty years of experience in the field of energy policy making;
- (e) a person who has expertise, reached eminence and has at least twenty years of experience in economics;
- (f) a person who has expertise, reached eminence and has at least twenty years of experience in the field of power system planning and operation; and
- (g) a person who has expertise, reached eminence and has at least twenty years of experience in the field of renewable energy, energy transition and finance.

(5) (a) Every member of the Council, before assuming office shall submit to the Minister, a general disclosure of his interests as at the date of appointment.

(b) Any member of the Council who is directly or indirectly interested in any matter that is to be taken up before the Council shall disclose the nature of such interest to the Council and shall not take part in any deliberation or decision of the Council with regard to that matter.

(6) (a) The Council shall, with the approval of the Minister, appoint a Director General who has expertise, reached eminence and has at least twenty years of experience in electrical engineering and administration.

(b) The Director General shall be responsible for the administration of the affairs of the Council and carry out the tasks assigned to him, from time to time, by the Council. The Director General shall act under the administrative supervision of the Secretary to the Ministry of the Minister.

(7) The members of the Council shall hold office for a period of three years and shall exercise, perform and discharge the powers, duties and functions assigned to the Council in accordance with the provisions of this Act and terms of reference set out in their letters of appointment.

(8) (a) The Minister may co-opt persons with specific qualifications and expertise to be present at meetings of the Council, where the relevant expertise is required for any particular issue before the Council.

(b) Such persons shall participate in and assist at any meeting at which the issue requiring their expertise is being discussed so however, shall not be entitled to vote on any matter so discussed.

(9) (a) A person shall be disqualified from being appointed or continued to be a member of the Council, if such person -

- (i) is not or ceases to be a citizen of Sri Lanka;
- (ii) is or has been within three years prior to being appointed, a Member of Parliament, a Provincial Council or a Local Authority;
- (iii) is a connected person having any financial or other interest amounting to a conflict of interest directly or indirectly in any entity in the Electricity Industry or any matter performed by such person;
- (iv) is under any written law in force in Sri Lanka found or declared to be of unsound mind;
- (v) is a person who has been declared an insolvent or bankrupt under any written law in Sri Lanka or in any other country, is undischarged insolvent or bankrupt;
- (vi) has been convicted of any criminal offence by any court in Sri Lanka or in any other country; or
- (vii) is subject to any mental or physical disability which precludes such person from discharging the responsibilities assigned to such person as a member of the Council.

(b) The Minister shall, after informing the Cabinet of Ministers in writing the reasons therefor, remove any member of the Council if such member is subject to any disqualification specified in paragraph (a).

(10) (a) The Council shall employ such number of persons to function as the staff of the Council who shall assist the Council in the discharge of its responsibilities in terms of the provisions of paragraph (a) of subsection (3) including the matters concerning the responsibilities of the Council.

(b) The Council shall, make rules specifying the organisational structure of the staff and the duties assigned to each member of the staff and the manner in which the day-to-day business of the Council to be managed.

(c) The manner and the rates of the remuneration payable to the members and the staff of the Council shall be determined by the Secretary to the Ministry of the Minister in consultation with the Secretary to the Treasury.

(11) The Council shall make rules to regulate the manner in which the business of the Council is to be transacted and the procedure to be followed in the conduct of meetings of the Council.

(12) The Minister shall, from time to time, issue to the Council such directions and guidelines on matters connected to the national electricity policy including the overall planning and coordination as may be required for the efficient performance and discharge of the duties and functions of the Council. Such directions and guidelines shall be consistent with the objects of this Act and the national electricity policy.

**4.** (1) The national electricity policy shall reflect the objects of the Act specified in section 2, and the policy of the Government for the development of the Electricity Industry in a manner consistent with the national policy on energy specified in paragraph (a) of section 5 of the Sri Lanka Sustainable Energy Authority Act, No. 35 of 2007.

Formulation of the national electricity policy and issue of policy guidelines

(2) Upon the coming into operation of this Act, the Minister shall, with a view to enabling Sri Lanka to meet the increasing future demands for electricity, after consultation with the Regulator, National System Operator, licensees, consumer organisations and other relevant stakeholders and in compliance with all relevant national policies and policy guidelines of the Minister, direct the Council to formulate the draft national electricity policy.

(3) The Council shall in compliance with the direction of the Minister under subsection (2), proceed to formulate the draft national electricity policy which shall include an outline of the Government's policy on-

- (a) developing the power system to meet the estimated demand while ensuring affordability, energy security and aligning with the Government's international commitments for decarbonisation and enhancing consumer satisfaction through competitive tariffs and reliability in electricity supply;
- (b) technologies to be used in connection with the generation of electricity and demand side technologies to promote energy efficiency;
- (c) incentivize investments in energy technologies such as renewable energy, energy storage and energy efficiency which increase national energy security and reduce the dependence on imported fossil fuel sources;
- (d) ensuring financial viability of the Electricity Industry and the need to attract private sector investments to the Electricity Industry including the development of renewable energy-based electricity generation, transmission, energy storage and end user energy efficiency;
- (e) introducing competition in the procurement of new generation, transmission and energy storage capacity and specifying the preconditions and milestones for the establishment of the Wholesale Electricity Market;
- (f) mobilizing investment needed for sustainable growth of the Electricity Industry to achieve Government's electricity policy objectives;

- (g) national tariff policy formulated in consultation with the Ministry of Finance and the Ministry of Policy Implementation;
- (h) including national policy on energy which shall be revised, from time to time; and
- (i) identifying priorities and measures towards meeting the objects of the Act.

(4) (a) Upon the completion of the formulation of the draft national electricity policy by the Council in terms of subsection (3) and after adequate public stakeholder consultation, the Minister shall, upon being satisfied that such draft national electricity policy is consistent with the provisions of this Act and the national policy on energy, forward such draft policy to the Cabinet of Ministers for its approval.

(b) The Cabinet of Ministers may review the policy forwarded to the Cabinet of Ministers under paragraph (a) and may suggest amendments thereto prior to granting approval to such policy.

(5) Upon receiving the approval of the Cabinet of Ministers, the Minister shall cause the national electricity policy to be published in the *Gazette* within one month from the date of receipt of such approval.

(6) The national electricity policy once approved and published in the *Gazette* in terms of this section shall have the effect of superseding all previous policy documents on generation, transmission, distribution, trade, supply and procurement of electricity, without prejudice to anything done thereunder.

(7) Upon the receipt of the approval of the Cabinet of Ministers as required by subsection (4), the Regulator shall ensure the implementation of the national electricity policy through the issuance of directions to the licensees.

(8) The Minister may once in every five years on the advice of the Council and after consultations with the stakeholders cause a review of the national electricity policy to be conducted:

Provided that, if prior to the completion of the aforesaid period of five years, an urgent need to update the national electricity policy arises, the Minister may direct the Council to cause a review of the national electricity policy to be conducted.

(9) The Minister shall ensure that the procedure specified in subsections (1) to (7) be complied with in relation to updating the national electricity policy.

(10) The Minister may, in consultation with the Minister assigned the subject of Policy and Planning Implementation and with the approval of the Cabinet of Ministers, from time to time, issue in writing policy guidelines relating to the implementation of the principles of the national electricity policy including national strategies and national targets of such policy. Such guidelines shall -

- (a) provide guidance with respect to the following: -
  - (i) facilitating Electricity Industry reform;
  - (ii) ensuring the implementation of the national electricity policy to meet the projected demand growth in accordance with other



policy objectives and targets with respect to energy security and environmental sustainability;

- (iii) estimating the requirement for electricity in Sri Lanka in order to attain national targets for sustainable development of the Electricity Industry and the oversight mechanisms relating to licensing, regulatory and inspection activities as required by this Act;
- (iv) identifying incentives to be adopted for achieving national targets for increasing the renewable energy and enhancing energy security of the country in an affordable and sustainable manner;
- (v) facilitating the implementation of the national tariff policy specified in section 29;
- (vi) identifying the principles and policies to be followed in initiating electricity market reforms for the introduction of competition and consumer choice;
- (vii) ensuring at all times, the availability of a reliable and affordable supply of electricity to the consumers which would be adequate to ensure adequate cashflows to cover the operating expenses, debt service and reasonable return on equity of licensees; and
- (viii) guiding on the nature of Electricity Industry performance reports to be published; and

(b) provide guidance, in consultation with the Regulator and relevant stakeholders, to the National System Operator with respect to the following: —

- (i) market-based incentives to promote the renewable energy in terms of the national electricity policy;
- (ii) incentive policies for energy storage and other economical energy sources to ensure reliability and energy security;
- (iii) measures required for the introduction of competition through open access and establishment of wholesale electricity market; and
- (iv) to prepare the Long Term Power System Development Plan to enable the supply of electricity at the least economic cost and with specified reliability to meet the national targets and international obligations required for sustainable economic growth.

(11) (a) Subject to any relevant written law, the Regulator and the National System Operator shall forthwith give effect to any written policy guidelines issued in terms of subsection (10).

(b) The Regulator and the National System Operator may notify the Minister of any difficulties which may arise in giving effect to the policy guidelines. The Minister shall, in consultation with the Regulator and the National System

Operator determine, within the framework of the Act and the principles relating to the relevant policy guidelines, the measures to be adopted in addressing such difficulties and shall notify the Regulator and the National System Operator of the same.

(12) The Minister may, with the approval of the Cabinet of Ministers, issue general or special directions in writing to the National System Operator under Part IV of the Act as to the exercise of powers and performance of duties of the National System Operator, and the National System Operator shall forthwith give effect to such directions.

### PART III

#### REGULATOR FOR THE ELECTRICITY INDUSTRY

5. (1) The Public Utilities Commission of Sri Lanka (in this Act referred to as the “Regulator”) established under the Public Utilities Commission of Sri Lanka Act, No. 35 of 2002 (hereinafter referred to as the “Public Utilities Commission of Sri Lanka Act”) shall, with effect from the date on which the Bill becomes an Act of Parliament, be deemed to be the Regulator for the Electricity Industry.

Public Utilities  
Commission of  
Sri Lanka to be  
the Regulator of  
the Electricity  
Industry

(2) In the exercise, performance and discharge of its powers, duties and functions in relation to the Electricity Industry, the Regulator shall at all times, act reasonably, with fairness, impartiality and independence and in a manner that is timely, transparent, objective and consistent with the principles and provisions in this Act:

Provided that, the Regulator may, in the event only that no provision has been made in this Act, in respect of any particular matter, have recourse to, and apply the relevant provisions of the Public Utilities Commission of Sri Lanka Act to the determination of the same:

Provided further, in the event of a conflict between the provisions of this Act and the provisions of the Public Utilities Commission of Sri Lanka Act in its application to the Electricity Industry, the provisions of this Act shall prevail.

- (3) The Regulator shall have the power to –
- (a) grant licences to persons authorised to engage in generation, transmission including the National Transmission Network Service Provider, the National System Operator and distribution of electricity;
  - (b) determine the conditions of licences and modify such conditions and revoke the licences for non-compliance with or contravention of such conditions;
  - (c) monitor the performance of licensees including the compliance with consumer service standards;
  - (d) make enforcement orders to secure compliance with conditions or requirements in the licences;
  - (e) assist the Minister in terms of sections 13 and 30 to formulate relevant regulations to introduce and operationalize open access and the Wholesale Electricity Market;
  - (f) inquire into and take necessary actions to prevent anticompetitive market practices, mergers and acquisitions and abuse of dominant positions;
  - (g) resolve disputes specified in subsection (1) of section 46;

- (h) ensure the safe operation of the electricity supply network by issuing safety guidelines and directions to be followed by licensees and electricity consumers and enforce such guidelines and directions;
- (i) promote efficiency improvement in electricity supply value chain and promote demand side energy efficiency improvement;
- (j) periodically set the feed in tariff, the power purchase tariff from the generation licensees, the bulk sale tariff of the National System Operator to the distribution licensees, the transmission tariff and open access charges payable to transmission and distribution licensees, the end user consumer tariff consisting of distribution tariff (i.e. for network costs of distribution licensees) and supply tariff (i.e. for power purchase tariff of distribution licensees) and the allowed revenue to be recovered by transmission and distribution licensees;
- (k) make recommendations to the National System Operator to formulate the Long Term Power System Development Plan after conducting stakeholder consultations;
- (l) ensure cost reduction in power purchase cost of the National System Operator and distribution licensees is achieved through adoption of open competitive procurement of new generation capacity in accordance with the Long Term Power System Development Plan and least cost economic dispatch of available generation capacity by the National System Operator;

- (m) undertake the dispatch audit of generator dispatch undertaken by the National System Operator;
- (n) review and approve the commercial terms of new generation, transmission and energy storage capacity undertaken by the National System Operator; and
- (o) approve the annual power procurement plan submitted by the National System Operator and monitor any deviations from the approved annual power procurement plan.

Register to be maintained by the Regulator

**6.** (1) The Regulator shall for the purpose of discharging its functions under this Act, maintain at its office, a register in such form as shall be prescribed.

(2) The Regulator shall cause to be entered in such register the following matters: -

- (a) particulars relating to every licence issued under this Act;
- (b) particulars relating to the modification of the conditions of any such licence granted or the revocation of any such licence;
- (c) every decision of the Regulator, including every order, direction or determination;
- (d) every enforcement order made in terms of this Act;
- (e) particulars relating to any other instrument or document to which the Regulator's seal has been affixed; and
- (f) the minutes of the proceedings of any public hearing held in terms of this Act.

(3) The content of the register shall be made available for inspection by the public, during the reasonable hours of the day. Certified copies of any information contained in the register may on application be provided to the applicant on payment for a prescribed fee. The information contained in the register may also be published on the website of the Regulator.

7. (1) The Regulator may for the purpose of discharging and performing its functions and duties under this Act, by notice in writing, require every licensee and any other persons to furnish to the Regulator or any person authorised in that behalf by the Regulator within such period as may be specified in such notice, all such information or documents as may be specified in such notice which are in the custody of such licensee or the person, as the case may be.

Powers of the  
Regulator to call  
for information

(2) It shall be the duty of every licensee or person who is required by a notice under subsection (1) to furnish any information or document to comply with such notice within the period specified in such notice, unless such person is prohibited in terms of any written law for the time being in force, from furnishing the document or information so required.

(3) No information or document furnished under subsection (1) shall be published or disclosed by the Regulator to any other person except with the consent of the licensee or the person furnishing such information or document.

(4) The disclosure by the Regulator of any information or document furnished in terms of subsection (1) without the consent of the licensee or the person furnishing such information or documents -

- (a) to a court of law when required to do so by such court; or
- (b) for the purpose of discharging any function assigned to the Regulator by this Act; or
- (c) for the purpose of enabling compliance with a condition of a licence granted under this Act requiring any information to be furnished; or
- (d) in compliance with the provisions of the Right to Information Act, No.12 of 2016,

shall be deemed, not to be a contravention of the provisions of subsection (3).

Electrical  
Inspectors

**8.** (1) The Regulator shall appoint, such number of duly qualified persons, as Electrical Inspectors, as may be required for the purposes of this Act.

(2) It shall be the duty of an Electrical Inspector appointed under subsection (1) to discharge the functions assigned to him in terms of this section or any other provisions of this Act, including the following: -

- (a) to inspect and test electricity lines and electricity plants belonging to persons authorised by a licence, or exempted from the requirement of obtaining a licence, to generate, transmit, trade including bulk purchases and bulk sales, distribute or supply of electricity;
- (b) to inspect and test, if and when requested to do so by any consumer, any electricity line and electricity plant on such consumer's premises, for the purpose of ascertaining whether any requirement relating to such electricity line or plant or the supply of electricity through or by such lines or plants, imposed in terms of this Act or any regulation or rule made thereunder, has been complied with; and



- (c) to carry out such other ancillary functions related to the functions specified in paragraph (a) or (b) as may be determined by the Regulator.

(3) (a) The Electrical Inspectors shall discharge the functions relating to an inspection or test assigned to them in terms of this section, under the supervision of the Regulator. Upon completion of an inspection or test carried out in terms of this section, the Electrical Inspectors shall submit to the Regulator a report of the findings of such Inspector in relation to every inspection or test of any electricity line or electricity plant carried out by such Inspectors.

(b) The Regulator may upon review of any report so submitted, agree or disagree with the findings of an Electrical Inspector. In the event of a disagreement, the Regulator may require the relevant Electrical Inspector to make necessary changes to the report prior to implementation.

(4) The Regulator may make rules for the purposes of this section in respect of all or any of the following matters:-

- (a) qualifications of persons to be appointed as Electrical Inspectors;
- (b) setting out the manner in which, and the times at which, any duties imposed on the Electrical Inspectors are to be performed;
- (c) requiring persons authorized by a licence or exempted from the requirement of obtaining a licence, to generate, transmit, trade, distribute or supply of electricity –
  - (i) to furnish Electrical Inspectors with records or other relevant information; and
  - (ii) to allow such Electrical Inspectors to access premises and to use electricity plants and other facilities;

- (d) specifying the sum payable as fees, if any, which are payable to such Electrical Inspectors and the persons by whom such sums are payable;
- (e) identifying the circumstances in which a licensee may be relieved from its obligation to supply electricity; and
- (f) setting out the procedure to be followed in the event of a disagreement between an Electrical Inspector and a consumer or a licensee in relation to the inspection and testing of electricity lines and electricity plants as provided for in paragraph (a) or (b) of subsection (2).

(5) Any fee received by the Electrical Inspector under this section shall be credited to the Fund of the Regulator established under section 31 of the Public Utilities Commission of Sri Lanka Act.

#### PART IV

##### ESTABLISHMENT OF THE NATIONAL SYSTEM OPERATOR

Eligibility for issue of the national system operator licence

**9.** A limited company incorporated in terms of the Companies Act, No. 07 of 2007 in which the Government of Sri Lanka holds one hundred *per centum* of its shares shall be eligible to apply in terms of this Act for the issuance of the national system operator licence.

Issue of licence to the National System Operator, the Board of Directors and functions

**10.** (1) (a) A Company referred to in section 9 shall be the “National System Operator” (hereinafter referred to as the “National System Operator”) and a national system operator licence shall be issued to such company by the Regulator.

(b) The administration and management of the affairs of the National System Operator shall be vested in a Board of Directors appointed by the Minister which shall consist of –

- (i) a representative from the Ministry of the Minister holding a position not less than an additional secretary;
- (ii) a Deputy Secretary to the Treasury;
- (iii) an electrical engineer who has at least fifteen years of experience in power system operation and planning;
- (iv) a person who has at least fifteen years of experience in project finance and procurement; and
- (v) a person who has expertise, reached eminence and has at least fifteen years of experience in commercial law,

and one of whom shall be appointed as the Chairperson by the Minister.

(c) The Chief Executive Officer of the National System Operator shall be a person who has expertise, reached eminence and has at least twenty years of experience in electrical engineering and administration who shall be appointed by the Board with the approval of the Minister.

(d) The Board of Directors and the Chief Executive Officer of the National System Operator shall submit to the Minister, a general disclosure of their interests as at the date of their appointment before assuming office as a Director of the Board of Directors or the Chief Executive Officer, as the case may be.

(e) Any Director or the Chief Executive Officer who is directly or indirectly interested in any matter that is to be taken up before the Board shall disclose the nature of such interest to the Board and shall not take part in any deliberation or decision of the Board with regard to that matter.

(2) The National System Operator shall be responsible for—

- (a) operating and maintaining the System Control Centre for the real time operation of the power system of Sri Lanka;
- (b) submitting the annual power procurement plan based on the least economic cost on or before the thirtieth day of September of every year to the Regulator setting out the manner in which the National System Operator intends to meet the projected demand for the succeeding year for electricity from the available generation capacity including new generation capacity expected to be commissioned in the succeeding year;
- (c) ensuring that the integrated operation of the power system of the country be based on the projections in the annual power procurement plan, and the monitoring and reporting at the end of every calendar month, of any variations from the annual power procurement plan to the Regulator with reasons therefor;
- (d) the coordinated operation of the power system to ensure in real time the balance between electricity supply and demand and for this purpose, shall ensure-
  - (i) compliance with principles, guidelines and methodologies in respect of optimal generation scheduling and dispatch, as shall be prescribed;
  - (ii) optimal generation scheduling and dispatch of electricity from the generating plants in

accordance with the power purchase agreements or standardized power purchase agreements which have been entered into or have been transferred to the National System Operator, on the most economical and advantageous terms and in a transparent and accountable manner to meet the total demand for electricity at any given time. The procedures to be followed and the formats of the agreements to be used shall be as prescribed;

- (iii) carrying out real time operations for grid control and daily power dispatch through the secure and economic operation of the National Grid of Sri Lanka in accordance with the grid code, monitor the grid operations and provide the information and data required for conducting the dispatch audit to the Regulator in such manner, as shall be prescribed;
- (e) ensuring the non-discriminatory transmission congestion management in a timely and effective manner;
- (f) the establishment of a bulk supply transactions account and monthly public disclosure of the details of such account to record all financial transactions relating to the purchase of bulk electricity from a generation licensee through power purchase agreements or standardized power purchase agreements and selling to the distribution licensees through power sales

agreements, or with the prior approval of the Regulator to any other consumers, or in the case of electricity trading with the regional market, including monitoring the import and export of electricity. The procedures to be followed and the formats of the bulk supply transactions account and the agreements to be used shall be as prescribed;

- (g) maintaining records of the quantity and quality of electricity, transmitted through the National Grid of Sri Lanka;
- (h) exercising supervision and control over the overall operation of the National Grid of Sri Lanka; and
- (i) subject to the provisions of section 11, procuring energy storage and ancillary services as determined, from time to time, to manage the intermittent nature of output from renewable energy plants, in accordance with the procedures approved by the Regulator:

Provided that, the National System Operator shall not engage in any commercial activity other than in the manner and subject to such conditions, as shall be prescribed.

(3) The Minister shall prescribe the procedure, format and manner in which the matters specified in subsection (2) are to be implemented by the National System Operator.

(4) For the avoidance of doubt, it is hereby stated that, from and after the appointed date the transfer of functions of the Ceylon Electricity Board as specified in section 18 connected with -

- (a) generation scheduling, commitment, and merit order economic dispatch of generating plants;
- (b) optimised planning of future power system to meet the electricity demand taking into consideration cost, economic value and decarbonisation objects;
- (c) operation and maintenance of the System Control Centre; and
- (d) procurement of electricity in bulk form, from the generation licensees and sale of such procured electricity in bulk form to distribution licensees and to any other consumers trading in the domestic, regional or international market,

shall be done consequent to the vesting of the aforesaid functions of the Ceylon Electricity Board in the National System Operator.

(5) The National System Operator shall, in every two years prepare the Long Term Power System Development Plan which shall include both generation and transmission capacity, energy storage and ancillary service additions covering a period of ten years and an indicative plan for further period of ten years in accordance with the approved national electricity policy and policy guidelines issued in terms of section 4.

(6) The National System Operator shall, in preparing the said Long Term Power System Development Plan, take into consideration, the principle of least economic cost, the availability of the most economically advantageous electricity generation capacity and other feasible alternative scenarios and submit the same to the Regulator.

(7) (a) The Regulator shall, after consultation with the relevant stakeholders including the licensees, provide recommendations to the National System Operator within two months of receipt of the Plan.

(b) The National System Operator shall finalise the plan taking into consideration, the recommendations received under paragraph (a) and submit the same to the Minister within one month of receipt of such recommendations including the reasons for not accepting any recommendation made by the Regulator. The Minister shall, in consultation with the Regulator and the Council, review the plan and having satisfied with its consistency of the national electricity policy, submit the same to the Cabinet of Ministers before the end of the year for approval. The Cabinet of Ministers shall, having stated the reasons, either approve or disapprove the plan within three months of receipt of the Plan.

(8) The National System Operator shall be held accountable for the implementation of the approved Long Term Power System Development Plan.

(9) The Minister and the Regulator shall forthwith be notified of any deviations made by the National System Operator from the approved Plan.

(10) The National System Operator shall annually forward a Report specifying the deviations made from the Long Term Power System Development Plan and the reasons for such deviations and the economic considerations if any, which arise out of such deviations, to the Minister and the Regulator.

(11) The Long Term Power System Development Plan shall –



- (a) include plans to ensure that there is sufficient capacity from generation plants to meet the reasonable estimated demand for electricity, for both generation expansion and transmission network development, inclusive of evaluation of least economic cost generation technologies, energy conversion and storage technologies, and other demand side technologies;
- (b) identify the power generation capacity additions needed to meet the expected demand for electricity based on the priorities outlined in the national electricity policy;
- (c) identify new transmission capacity and transmission assets to augment the National Grid of Sri Lanka specified in section 15 and to provide connectivity to new power plants or to provide connectivity to the regional markets in accordance with the approved Long Term Power Development Plan subject to such terms and conditions as approved by the Regulator.

(12) The National System Operator shall be required to enter into transmission service agreements with the National Transmission Network Service Provider and persons who are issued with additional transmission licences in terms subsection (2) of section 14 granting the National System Operator with operating authority over transmission and network facilities owned by the National Transmission Network Service Provider and additional transmission licensees.

(13) (a) The National System Operator shall have the exclusive right of trading electricity with other countries under the authority of a National System Operator licence issued under this Act.

(b) The terms and conditions of trading which is intended to be done under paragraph (a) shall be approved by the Cabinet of Ministers.

(c) No generation licensee shall be authorised to directly sell electricity to any country and no consumer or distribution licensee shall be authorised to purchase electricity from any country.

(14) The National System Operator shall enter into—

- (a) power purchase agreements with generation licensees and transmission service agreements with transmission licensees as specified in subsection (12):

Provided that, all power purchase agreements and standardized power purchase agreements which had been entered into by the Ceylon Electricity Board, and which are valid and are in operation on the day immediately preceding the appointed date shall be assigned to the National System Operator under the same terms and conditions for the remaining period of such power purchase agreements or standardized power purchase agreements and continue to be valid and effective as if entered into in terms of this Act. The generation licensees with whom such power purchase agreements and standardized power purchase agreements have been entered into shall be obliged to sell electricity to the National System Operator until the expiration of such agreements;

- (b) power purchase agreements with generation licensees incorporated under the preliminary transfer plan specified in paragraph (a) of subsection (2) of section 18;
- (c) power sales agreements with distribution licensees incorporated under the preliminary transfer plan specified in paragraph (a) of subsection (2) of section 18;
- (d) a transmission service agreement with the National Transmission Network Service Provider incorporated under the preliminary transfer plan specified in paragraph (a) of subsection (2) of section 18 and subsection (12) of this section.

**11.** (1) The National System Operator shall, in accordance with the Long Term Power System Development Plan, procure-

Procurement

- (a) electricity, generation capacity and energy storage capacity by calling for tenders based on the following procedure:-

The National System Operator shall call for proposals to proceed with the procuring of any new generation plant or for the expansion of the generation capacity of an existing plant in excess of the threshold capacity mentioned in subsection (3), energy storage capacity and any other form of ancillary service capacity, and the procurement including procedures adopted for public private partnership shall be undertaken in a transparent and competitive manner. Electricity Industry specific procedures for such procurement and the formats required therefore shall be prepared in consultation with the National Procurement Commission established in terms of Article 156B (1) of the Constitution and shall be as prescribed:

Provided that, -

- (i) if the capacity of the generation plant is below or equal to the threshold value as specified under subsection (3), and the final approval has been granted to generate electricity through renewable energy resources by the Sri Lanka Sustainable Energy Authority under section 18 of the Sri Lanka Sustainable Energy Authority Act, No. 35 of 2007;
- (ii) where on the day preceding the date of the coming into operation of this Act an approval of the Cabinet of Ministers has been obtained to develop a new generation plant or to expand the generation capacity of an existing generation plant; or
- (iii) where on the day preceding the appointed date a valid letter of award has been issued by the Ceylon Electricity Board in accordance with the provisions of the Sri Lanka Electricity Act, No. 20 of 2009,

the National System Operator shall not be required to comply with the provisions of this subsection:

Provided that, the selection of the party to whom approval has been granted or the letter of award has been issued has been selected pursuant to a competitive and transparent procurement process:

Provided further, the requirement to submit a tender shall not be applicable in respect of any new generation plant or to the expansion of any existing generation plant that is being developed to meet any emergency situation as determined by the Cabinet of Ministers during a national calamity or a long term forced outage of a major generation plant, where protracted

bid inviting process outweighs the potential benefit or procuring emergency capacity required to be provided by any person at least cost;

(b) transmission capacity based on the following procedure:-

(i) The Minister, with the approval of the Cabinet of Ministers may, inform the National System Operator to assign certain transmission assets to be built by the National Transmission Network Service Provider in the interest of the national economy.

(ii) The Minister, with the approval of the Cabinet of Ministers may, assign certain transmission assets to be procured using public private partnership modality. The National System Operator shall call for proposals for procuring of such transmission assets in a transparent and competitive manner. Specific procedures for such procurement and the formats required therefore shall be prepared in consultation with the National Procurement Commission established in terms of Article 156B (1) of the Constitution and shall be as prescribed.

(iii) The National System Operator shall issue a letter of award to the selected party.

(2) The Regulator shall be required, on receipt of any recommendations of the National System Operator, to grant its approval at its earliest convenience, where the Regulator is satisfied that the recommended price for the purchase of

electricity or electricity generating capacity is consistent with the requirements of the Long Term Power System Development Plan and that the terms and conditions of such purchase is within the accepted technical and economical parameters.

(3) The Minister may on the advice of the Council, by Order published in the *Gazette*, specify the maximum capacity of any renewable energy technology-based power plants which may be permitted to enter into standardized power purchase agreements with the National System Operator:

Provided that, the maximum capacity of such renewable energy plants to be procured from a contiguous location using standard power purchase agreements on cumulative basis shall not exceed 10 MW, which shall be further reduced by an order made by the Minister published in the *Gazette*, once the regulations prescribing the procedures for competitive procurement of new capacity are in place:

Provided further, any electricity project located within the territory of Sri Lanka and the Sri Lanka Waters which may involve electricity exports shall be undertaken only with the approval of the Cabinet of Ministers.

captive  
generating  
plants and  
dedicated  
transmission  
lines

**12.** (1) Notwithstanding anything to the contrary contained in this Part, any person may construct, maintain or operate a captive generating plant and dedicated transmission lines:

Provided that -

- (a) the supply of electricity from a captive generating plant through the National Grid of Sri Lanka shall be regulated in the same manner as the generating station of a generation licensee;
- (b) the safety regulations issued by the Regulator for power generation and transmission shall apply in relation to all captive generating plants. Where any captive generating plant exceeds the threshold capacity prescribed for the purposes of section 28, such plants shall be required to obtain a generating licence;
- (c) if such captive generating plant and dedicated transmission lines are connected to the National Grid of Sri Lanka, such captive generating plants shall obtain a captive generation or transmission licence, as the case may be. Such captive generating plants which are connected to the National Grid of Sri Lanka shall be required to comply with the grid code and other technical parameters and safety measures stipulated by the Regulator and the National Transmission Network Service Provider.

(2) Every person who has constructed a captive generating plant and maintains and operates such plant, shall enjoy the right to open access for the purpose of carrying electricity from such plant to the destination of use in accordance with the guidelines as shall be prescribed relating to open access and payment of the charges specified in respect thereof:

Provided that, such open access shall be subject to availability of adequate transmission and distribution capacity which shall be determined by the National Transmission Network Service Provider and the relevant distribution licensee.

(3) Any dispute regarding the availability of transmission and distribution capacity shall be resolved by the Regulator.

Open access

**13.** (1) The Minister, in consultation with the Regulator, the National Transmission Network Service Provider and the distribution licensee, shall operationalize the applicability of open access from such date as is determined by Order published in the *Gazette* in terms of section 1 of this Act. Such open access shall be made operational in a phased manner and the extent of open access in successive phases shall take place in such manner as shall be prescribed and be subject to such conditions including payment of cross subsidies and other operational limitations as may be prescribed. Open access charges and any surcharge to be paid thereon shall be payable in such sum as determined by the Regulator in terms of the provisions of Part VIII.

(2) The surcharge received in terms of subsection (1) shall be utilized to meet the cross subsidy within the area of supply of the distribution licensee:

Provided that –

- (a) such surcharge and cross subsidies shall be progressively reduced in the manner specified in the national tariff policy; and
- (b) such surcharge shall not be levied if open access is provided to a person who has established a captive generating electricity plant for carrying the electricity to a destination for his own use.



PART V

NATIONAL TRANSMISSION NETWORK SERVICE PROVIDER

**14.** (1) No person other than a company incorporated in terms of the Companies Act, No. 07 of 2007 in which the Government of Sri Lanka holds more than fifty *per centum* of its shares shall be eligible to apply in terms of this Act for the issue of the national transmission network service provider licence.

Eligibility to apply for national transmission network service provider licence

(2) Any person who has been issued with a letter of award by the National System Operator for constructing a transmission line in accordance with paragraph (b) of subsection (1) of section 11 shall apply to the Regulator for an additional transmission licence and for approval to proceed with the construction in accordance with the applicable grid code and other technical standards and parameters. Such additional transmission licensees shall be authorised to keep the ownership of such transmission assets built by them and required to provide non-discriminatory transmission connectivity to any generating station or consumer in accordance with the grid code and subject to the availability of surplus transmission capacity as determined by the National System Operator. The operation of such transmission assets shall be undertaken by the National System Operator in terms of the transmission service agreement entered into with the National System Operator in accordance with the provisions of subsection (12) of section 10.

(3) For the avoidance of doubt, it is stated that the qualification specified in subsection (1) shall not apply to a person who has been issued with an additional transmission licence under subsection (2).

Responsibilities  
of the National  
Transmission  
Network Service  
Provider  
& c.

**15.** (1) A Company referred to in subsection (1) of section 14 (in this Act referred to as the “National Transmission Network Service Provider”) shall be responsible for the ownership and maintenance of the transmission assets owned by the Ceylon Electricity Board as of the appointed date.

(2) The National Transmission Network Service Provider and additional transmission licensees under subsection (2) of section 14 shall be responsible for the implementation of the functions of the Ceylon Electricity Board connected with the development, expansion and maintenance of the physical infrastructure of the National Grid of Sri Lanka and for the transmission of bulk electricity to distribution licensees, and other eligible entities in the domestic, regional or international market:

Provided that, the National Transmission Network Service Provider shall not enter into any contract or otherwise engage in the generation, distribution, supply or trading of electricity.

(3) Transfer of functions discharged by the Ceylon Electricity Board in terms of section 18 on the day immediately preceding the appointed date connected with—

- (a) the development, expansion and maintenance of the physical infrastructure of the National Grid of Sri Lanka and ensure an efficient, coordinated, reliable and economical integrated transmission system throughout Sri Lanka subject to subsection (2) of section 14;

- (b) the connection and transmission of electricity in bulk form to distribution licensees and high voltage consumers who are connected to the transmission system,

shall be done, consequent to the vesting of the functions of the Ceylon Electricity Board specified in paragraphs (a) and (b) in the National Transmission Network Service Provider and after obtaining the required National transmission network service provider licence in the manner provided for in this section.

(4) The National Transmission Network Service Provider shall –

- (a) commence the transmission of electricity under the instructions of the National System Operator in accordance with the terms of the National transmission network service provider licence and the provisions of this Act and Transmission Service Agreement entered into with the National System Operator;
- (b) provide inputs to the National System Operator to identify the transmission capacity requirements and to facilitate the preparation of the Long Term Power System Development Plan;
- (c) invest in transmission assets, and where it is in the interests of the national economy, facilitate the National System Operator in procuring private sector investment for new transmission capacity and the procurement shall be undertaken in accordance with the provisions of subsection (2) of section 14;
- (d) undertake, in consultation with the National System Operator to physically witness the commissioning tests of such transmission assets

built by the private investors and thereafter, issue a Compliance Certificate which certifies that the grid code and all other applicable technical standards or parameters have been complied with. Upon the issuance of the Compliance Certificate, the National Transmission Network Service Provider shall enable interconnection by such transmission assets built by private investors to the National Grid of Sri Lanka on a non-discriminatory basis;

- (e) develop, expand and maintain an efficient, coordinated, reliable and economical integrated transmission system throughout the entire country;
- (f) connect and transmit electricity in bulk form, with the approval of the Regulator, in such manner as shall be prescribed, from generation licensees to distribution licensees and other eligible consumers and to connect the National Grid of Sri Lanka to the transmission network of regional markets and recover transmission charges or any other charges as shall be prescribed;
- (g) provide open access of transmission services to all eligible consumers of the National Grid of Sri Lanka upon compliance with the pre-conditions for the grant of open access as shall be prescribed subject to the payment of open access charges as determined by the Regulator and the approval for such open access shall not be unreasonably withheld;
- (h) liaise with the National System Operator to draft, implement and maintain the grid code and other technical and operational codes and standards in relation to the National Grid of Sri Lanka:

Provided that, the grid code shall be updated in a regular manner and be approved by the Regulator;

- (i) facilitate whenever the need to do so arises, in consultation with the Regulator, the expansion of network in terms of the grid code and the duly approved Long Term Power System Development Plan;
- (j) submit, from time to time, to the Regulator, proposals relating to the levying of transmission tariffs and other charges; and
- (k) maintain separate accounts for the transmission business carried on in terms of the transmission licence.

**16.** Subject to the provisions of subsection (2) of section 14, the National Transmission Network Service Provider shall have the power to construct transmission lines, grid substations and other associated transmission plants and equipment within the territory of Sri Lanka and the Sri Lanka Waters in terms of the duly approved Long Term Power System Development Plan. In the event of any interconnection of the National Grid of Sri Lanka with the transmission network of regional markets, such transmission interconnection shall be constructed only after obtaining the prior approval of the Cabinet of Ministers.

Transmission lines and grid substations

## PART VI

### INCORPORATION OF LIMITED COMPANIES UNDER THE COMPANIES ACT, No. 07 OF 2007

**17.** (1) There shall be incorporated in terms of the Companies Act, No.07 of 2007, such number of limited companies as may be required, in terms of the structure of the Electricity Industry described in Schedule I:

Incorporation of Limited Companies under the Companies Act, No. 07 of 2007 and the vesting therein of the restructured activities of the Ceylon Electricity Board

Provided that, the Articles of Association of each of such limited companies shall be prepared in accordance with the provisions of this Act. Subject to the provisions of the Companies Act No. 07 of 2007, the Articles of Association of each of such limited companies so incorporated shall also specify in detail the activities to be vested by operation of law, in each of such limited companies.

(2) (a) On the appointed date, by virtue of the operation of the provisions of this section, the restructured activities of the Ceylon Electricity Board relating to the generation, transmission, distribution and supply of electricity, and all assets and liabilities of the Ceylon Electricity Board pertaining to generation, transmission, distribution and supply of electricity along with their respective duties and functions shall vest in the limited companies incorporated in terms of subsection (1), in accordance with the scheme set out in the transfer plan specified in section 18.

(b) The Secretary to the Treasury shall be initially allotted hundred *per centem* of the shares in the successor companies incorporated under this section other than the companies referred to in items (a), (f) and (h) (ii) of Schedule I in which the Secretary to the Treasury shall be permanently allotted hundred *per centem* of the shares.

(3) If after the requirements of subsections (1) and (2) have been completed it is apparent that one or more residual companies are required to be incorporated for the transfer plan to be fully implemented, such required number of residual companies shall be incorporated in the manner provided for in the Companies Act, No.07 of 2007, and the provisions of subsections (1) and (2) of this section shall, *mutatis mutandis*, be applicable in relation to such residual companies.

**18.** (1) The Minister shall, in consultation with the Minister assigned the subject of Finance and the Secretary to the Treasury, and where it is deemed necessary, with the relevant stakeholders, require the Power Sector Reform Secretariat established under section 38, to prepare a Transfer Plan for the transition, transfer and reorganization of the Electricity Industry in Sri Lanka (hereinafter referred to as the “transfer plan”). The transfer plan as provided for in this section and Schedule I relating to the structure of the Electricity Industry shall contain detailed plans, proposals and strategies for the unbundling of the activities of the Ceylon Electricity Board relating to the generation, transmission, distribution and supply of electricity.

Preparation of  
the transfer plan

(2) The Power Sector Reform Secretariat shall, subject to the policy directions of the Minister prepare the transfer plan which shall comprise -

- (a) a preliminary transfer plan, which shall be approved by the Cabinet of Ministers and thereafter to be published in the *Gazette* on the day immediately succeeding the appointed date and shall contain all details of the vesting of the activities relating to the restructuring of the generation, transmission, distribution and supply of electricity as well as a financial plan for the vesting of assets and liabilities which shall be initially required for the successor companies to commence operations;
- (b) a final transfer plan which shall be prepared not later than two years from the appointed date and shall be approved by the Cabinet of Ministers and immediately thereafter, be published in the *Gazette*. The final transfer plan shall after Gazetting be deemed to comprise the process of implementation of all remaining matters required to complete the restructuring of the Electricity Industry; and

- (c) The Secretary to the Treasury may, with the prior approval of the Cabinet of Ministers, and having followed a transparent and competitive bidding process as stipulated by law dispose of any shares issued or allotted to him in any successor company other than the companies referred to in items (a), (f) and (h) (ii) of Schedule I or of any rights over such shares only after the publication of the final transfer plan in the *Gazette* in terms of paragraph (b):

Provided that, the Secretary to the Treasury shall, in disposing any shares as specified in paragraph (c) ensure that the Government holds more than fifty *per centum* of the shares of the company referred to in item (e) of Schedule I.

- (3) The transfer plan prepared under subsection (1) shall—

- (a) identify the duties and functions discharged by the Ceylon Electricity Board immediately prior to the appointed date;
- (b) in connection with the existing financial liabilities of the Ceylon Electricity Board, specify that a portion of the said liabilities which shall include supplier liabilities be allocated to the successor company to whom the hydro power generation assets of the Ceylon Electricity Board will be assigned and which shall be a company of which one hundred *per centum* of the shares are held by the Government of Sri Lanka and the balance portion of the said liabilities will be allocated amongst the other successor companies, in such proportions as shall be specified in the transfer plan;
- (c) separate such duties and functions of the Ceylon Electricity Board into the following categories to



enable the allocation and subsequent vesting of the following duties and functions and its employees to the successor companies referred to in section 17 -

- (i) electricity generation based on hydro, thermal and renewable energy sources;
  - (ii) electricity transmission services and maintenance of the National Grid of Sri Lanka;
  - (iii) electricity demand forecasting and planning, procurement of electricity and sale in bulk form, economic dispatch of electricity, the management, including operation and maintenance of the System Control Centre and National Grid of Sri Lanka operation including transmission network expansion planning; and
  - (iv) electricity distribution or supply;
- (d) identify such duties, functions and activities of the Ceylon Electricity Board which are not connected directly to the duties and functions specified in paragraph (c), including but not limited to the management of employees' pensions and employees' Provident Fund, support services, and the distribution of existing human resources, which shall be vested in and be discharged by residual companies referred to in section 17;
- (e) allocate to a company or companies referred to in section 17 whose sole shareholder shall be the Government of Sri Lanka –
- (i) all unassigned residual assets, liabilities, duties and functions and the remaining staff of the Ceylon Electricity Board:

Provided that, the Regulator may determine the rate of levy from the other successor companies to be paid to the residual companies to recover the administrative expenses of the residual companies and the procedure for the collection of such levy shall be as prescribed;

- (ii) the functions of the Provident Fund and Pension Fund of the Ceylon Electricity Board as the custodian and trustee and to manage such Provident Fund and Pension Fund and the monies required to meet the Provident Fund obligations of the employees of the Ceylon Electricity Board:

Provided that, both the Provident Fund and the Pension Fund shall be transferred to a separate company established for such purpose and the benefits of the said Provident Fund and the Pension Fund shall only apply to the employees on the day preceding the appointed date and former employees of the Ceylon Electricity Board:

Provided further, the governance structure for the company assigned to manage such funds shall be as prescribed and shall include representatives from employees on the day preceding the appointed date and former employees of the Ceylon Electricity Board who shall be consulted regarding the investment decisions of such funds;

- (f) ensure that all officers and servants of the Ceylon Electricity Board holding office in the Ceylon Electricity Board on the day preceding the appointed date shall be-

- (i) duly identified by the Ceylon Electricity Board;
- (ii) be notified by the Ceylon Electricity Board of their proposed assignation to the respective successor companies within four months of this section comes into operation; and
- (iii) be required to notify the Ceylon Electricity Board within two months of the receipt of the notice referred to in subparagraph (ii), whether they opt to be assigned to such respective successor companies or not,

and shall with effect from the date succeeding the appointed date shall be assigned to such successor companies under the preliminary transfer plan on terms and conditions not less favourable than those enjoyed by them on the day preceding the appointed date under their contract of employment with the Ceylon Electricity Board. Where an employee does not opt to be assigned to a successor company, such employee shall be entitled to a voluntary retirement scheme and the terms and conditions of such scheme shall be & prescribed within four months of this section comes into operation; and

- (g) identify the share capital, the management structure and the source of funds for the entities to be established under subsection (1) of section 17.

(4) In the event an officer or servant of the Ceylon Electricity Board on the day preceding the appointed date opts to be assigned to a successor company referred to in section 17, such officer or servant shall-

- (a) for the purpose only of calculating the pension entitlement and other retirement benefits, be deemed to have continued in office in the Ceylon Electricity Board as from the date on which such officer or servant was employed by the Ceylon Electricity Board until the termination of his period of service in the successor companies referred to in section 17, and shall if the period of service of any such officer or servant in a successor company when added to his previous period of service in the Ceylon Electricity Board, amounts to twenty years or more, be eligible at the end of his period of service in a successor company for the grant of pension and retirement benefits which may be applicable to such officers and servants in accordance with the rules of the Pension Fund of the Ceylon Electricity Board;
- (b) continue to make such contributions to the Provident Fund together with such successor company as they are required to make in terms of the rules or regulations of the Ceylon Electricity Board Provident Fund:

Provided that, any obligatory service bonds signed by any employee shall be transferred to the successor company to which such employee is assigned.

(5) (a) An officer or servant of the Ceylon Electricity Board who opts for voluntary retirement from the date on which such officer or servant was notified of the proposed assignation to the respective successor company and if such officer or servant has completed eighteen years of service in the Ceylon Electricity Board, be entitled to pension and other retirement benefits which may be applicable to such officer or servant in accordance with the rules of the Pension Fund of the Ceylon Electricity Board.

(b) (i) Officers and servants of the Ceylon Electricity Board who opt to join the service of any successor company shall continue to be members of the Ceylon Electricity Board Provident Fund and Pension Fund and shall be entitled to all the benefits thereunder.

(ii) The successor companies and the officers and servants of the Ceylon Electricity Board who have become the employees of the successor companies on the date succeeding the appointed date shall make such contributions to the Provident Fund and Pension Fund as they are required to make by rules or regulations of the Provident Fund and Pension Fund, as the case may be, and the successor companies shall make all other statutory payments including gratuity to the employees of the Ceylon Electricity Board who have become the employees of the successor companies. The period that an employee served with the Ceylon Electricity Board shall be taken into consideration when calculating the statutory payments that are payable to such employees.

## PART VII

### LICENSING

**19.** (1) A person shall not -

- (a) generate electricity;
- (b) transmit electricity in bulk form, from a generation licensee to any distribution licensee or to any other eligible consumer connected to the transmission network or to and from any entity in the domestic, regional or international market;
- (c) perform the duties of the National System Operator as specified in section 10;

Unlicensed generation and distribution of electricity to be an offence

- (d) distribute and supply or distribute electricity for the purpose of giving an electricity connection to any premises or to any consumer or trader,

unless such person is authorised to do so in terms of a licence granted to him in terms of this Act, or the supply of electricity is exclusively for private use of a licensee, or a person who is exempted from the requirement of obtaining a licence in terms of the provisions of section 28.

(2) A person who -

- (a) generates, transmits or distributes electricity for the purpose of giving an electricity connection to any consumer or premises; or
- (b) exports or imports electricity,

otherwise than under the authority of a licence issued for such purpose under this Act, or an exemption granted under this Act, commits an offence under this Act and shall on conviction after a summary trial before a Magistrate be liable to a fine not less than three hundred thousand rupees or to imprisonment of either description for a term not less than six months and not exceeding one year, or to both such fine and imprisonment.

(3) Where a person is prosecuted for an offence under subsection (2), the Court shall, in addition to the punishment imposed under that subsection, further order the person convicted to refrain with immediate effect from carrying on the activity which such person is convicted of under subsection (1) until such person obtains a licence for such activity as required by that subsection.

(4) No proceedings shall be instituted in respect of an offence under this section except with the written sanction of the Regulator.

**20.** (1) Any person shall be eligible to apply for the issue of a generation licence. Eligibility to apply for a licence

(2) The following shall be eligible to apply for the issue of a distribution licence:-

(a) a company incorporated under the Conversion of Public Corporations or Government owned Business Undertakings into Public Companies Act, No.23 of 1987 or the Companies Act, No. 07 of 2007, as the case may be;

(b) a society registered under the Co-operative Societies Law No. 05 of 1972.

(3) Only a limited company incorporated under the Companies Act, No.07 of 2007 in which the Government of Sri Lanka holds -

(a) one hundred *per centum* of its shares shall be eligible to apply for the issue of the national system operator licence;

(b) more than fifty *per centum* of its shares shall be eligible to apply for the issue of the national transmission network service provider licence.

(4) All functions of the Ceylon Electricity Board, relating to -

(a) the generation scheduling, commitment and economic dispatch of generating plants, planning for meeting future electricity demands, operation and maintenance of the System Control Centre, procurement of electricity in bulk form from the generation licensees and sale of such procured electricity in bulk form to the distribution licensees shall be vested, with effect from the appointed date in the National System Operator; and

- (b) the maintenance of the physical infrastructure that comprises the National Grid of Sri Lanka and for the transmission of electricity in bulk form to the distribution licensees shall be vested, with effect from the appointed date in the National Transmission Network Service Provider subject to the provisions of subsection (2) of section 14.

(5) Additional transmission licences may be granted to any person, which acquires subject to the limitation specified in paragraph (b) of subsection (4), the right to build a transmission asset pursuant to paragraph (c) of subsection (11) of section 10 and subsection (2) of section 14.

(6) A person who holds more than fifteen *per centum* of shares of a single company, directly or indirectly, shall not be granted a combination of any two of the following licences: –

- (a) the national transmission network service provider licence and a generation licence;
- (b) the national transmission network service provider licence and a distribution licence;
- (c) the national transmission network service provider licence and national system operator licence;
- (d) the national system operator licence and a distribution licence;
- (e) the national system operator licence and a generation licence;
- (f) a generation licence and a distribution licence; or
- (g) more than one distribution licence.



**21.** (1) An application for the grant of a licence for generation, transmission, distribution or supply of electricity or for an extension of any one of such licences, shall be made in writing to the Regulator in such form as shall be prescribed, and shall be accompanied by such information and documents, and such fee, as shall be prescribed.

Application for  
a licence and  
grant of licence

(2) On receipt of the application, the Regulator shall, if the Regulator is of the opinion that on the basis of the information disclosed with the respective application, there appears to be no impediment to the issue of a licence to the applicant, proceed to take all necessary steps for the granting of such licence or the extension applied for, including publishing a notice on the official website of the Regulator, or in the *Gazette* or a local newspaper in the Sinhala, Tamil and English languages of its intention to grant the licence or the extension applied for, with the details of the intended project in order to inform persons who are likely to be affected by the issue of the licence or extension of the same.

(3) Every notice under subsection (2), shall state—

- (a) that the Regulator proposes to grant the licence or extension to the applicant and the purpose for which the licence is applied for;
- (b) the reasons for intending to grant such licence or extension; and
- (c) the period which shall not be less than twenty-eight days from the date of publication of the notice within which representations in writing may be made to the Regulator stating the concerns of persons in relation to activities of such project or the situation of such intended project and objecting to the grant of such licence.

(4) On receipt of a written representation against granting the particular licence, the Regulator shall appoint an adjudicating panel consisting of two members having eminence and experience not less than ten years in the fields of law and engineering to inquire into the matter. After permitting the concerned persons referred to in paragraph (c) of subsection (3) to make their representation and making such inquiries and visiting the site, the adjudicating panel shall notify the Regulator in writing of its recommendation.

(5) The Regulator shall, in keeping with the recommendation made by the adjudicating panel under subsection (4), make its determination in respect thereof which shall be informed to the applicant within ninety days from the date of receipt of the recommendation.

(6) (a) If the determination of the Regulator is to dismiss the representation, the Regulator shall thereafter proceed to grant the licence applied for and such licence shall be in the respective form as shall be prescribed in respect of each respective category of licence.

(b) The terms and conditions applicable to each category of licences shall be as prescribed and the licence issued to the applicant shall also include a schedule specifying the terms and conditions applicable to the relevant licence being granted.

(7) Every licence issued in terms of this Part shall be subject to –

(a) conditions of licences;

(b) powers and duties of the respective categories of licences;

- (c) the provisions relating to obtaining of permits and clearances for carrying out construction and maintenance activities undertaken by licensees as specified in Schedule II;
- (d) the standards and procedures applicable to the supply of electricity which the distribution licensees are required to be complied with as specified in Schedule III; and
- (e) the procedure applicable to metering of electricity consumption as specified in Schedule IV,

as shall be prescribed and shall be applicable to each such licensee.

**22.** (1) Subject to the provisions of subsection (2), a licence shall be capable of being assigned either with or without any condition authorizing such assignment.

Assignment of  
licences

(2) A licence shall not be capable of being assigned except with the prior consent of the Regulator.

(3) In deciding whether to approve the application made under subsection (1) of section 21, the Regulator shall apply the same criteria as it would apply if it were deciding whether to grant a corresponding licence or part of a corresponding licence to the assignee.

(4) The approval in terms of subsection (3) may be given subject to the assignee agreeing to –

- (a) such modification of the conditions of the licence or the imposition of such further conditions as the Regulator considers necessary, for the purpose of protecting the interests of consumers; and

- (b) such incidental or consequential modifications of the conditions as the Regulator considers necessary.

(5) A licence may include conditions authorising assignment, subject to compliance by the assignee of certain specified conditions.

(6) An assignment or purported assignment of a licence shall be void-

- (a) if the licence is not capable of assignment;
- (b) if the assignment or purported assignment is in breach of a condition of the licence; or
- (c) if there has been before the assignment or purported assignment a contravention of a condition subject to which consent was given under subsection (2).

Modification or revocation of licences, and enforcement orders

**23.** (1) The Regulator may, if it appears to be necessary to modify any licence in the national interest, proceed to modify the conditions of the specific licence being granted with the agreement of the licensee, or without the agreement of the licensee, in the circumstances of general application as shall be prescribed and, in the manner and form as shall be prescribed in relation to the different categories of licences.

(2) The Regulator may, after considering any representation made to it in response to a notice published as specified in subsection (3), revoke by Order published in the *Gazette*, a generation licence or distribution licence or national transmission network service provider licence in accordance with the terms as to revocation of such licences.

(3) Prior to the revocation of any licence in terms of subsection (2), the Regulator shall, by notice published in the *Gazette* and by such other means as it considers appropriate for bringing it to the attention of persons likely to be affected by such revocation, state that it proposes to revoke the licence specified in the notice, and the reasons for proposing to do so and specify the period within which representations may be made to it against such revocation. The procedure to be followed in revoking a licence shall be as prescribed.

(4) (a) If the Regulator is satisfied that a generation, transmission or distribution licensee is contravening or is likely to contravene any condition of a licence issued to such licensee or any statutory requirement, the Regulator shall make an enforcement order containing such provision as it may deem necessary to secure compliance with such condition or requirement by the licensee.

(b) An enforcement order—

- (i) shall require the licensee to whom it relates to do or desist from doing such things as are specified in the order;
- (ii) shall be in force for such period as maybe specified in the order; and
- (iii) may be revoked or modified at any time by the Regulator, but in any event shall cease to have effect at the end of the period specified in such order.

(5) (a) Before making an enforcement order under subsection (4), the Regulator shall—

- (i) publish a notice in such manner as shall be prescribed for bringing the matter to the attention of persons likely to be affected by such enforcement order, stating that the Regulator is proposing to make such order; and
- (ii) serve on the licensee a copy of the notice and a copy of the proposed order.

(b) A notice referred to in paragraph (a) shall set out –

- (i) the relevant conditions of the licence or statutory requirements with which the proposed order is intended to secure compliance;
- (ii) the acts or omissions which in the opinion of the Regulator constitute a contravention of that condition or requirement;
- (iii) any other facts which in the opinion of the Regulator justify the making of the proposed order;
- (iv) the effects of the proposed order; and
- (v) the period, not being less than twenty-eight days from the date of the notice, within which the licensee may make representations or objections to the proposed order.

(c) Before making an enforcement order under subsection (4), the Regulator shall consider any representations and objections made to it under paragraph (b).

(d) The Regulator shall not make an enforcement order if the Regulator is satisfied that—

- (i) the licensee has agreed to take and is taking all such steps as the Regulator considers that the licensee should take to secure compliance with the condition or requirement in question; or
- (ii) the contraventions or apprehended contraventions are trivial.

(e) As soon as practicable after making an enforcement order, the Regulator shall—

- (i) serve a copy of the order on the licensee to whom the order relates; and
- (ii) publish the order in such manner as shall be prescribed for bringing it to the attention of persons likely to be affected by it.

(f) Before revoking an enforcement order, the Regulator shall—

- (i) publish a notice in such manner as shall be prescribed for bringing the proposed order of revocation to the attention of persons likely to be affected by it;
- (ii) serve a copy of the proposed order of revocation on the licensee; and
- (iii) consider any representations and objections made in response to the notice;

(g) Every notice published under paragraph (f) shall –

- (i) state that the Regulator proposes to revoke the order specified in the notice and the effect of the revocation; and

- (ii) specify a period of not later than twenty-eight days from the date of publication of the notice, within which representations or objections to the proposed order of revocation may be made to the Regulator.

(h) If after considering any representations and objections made in response to a notice published under paragraph (f), the Regulator decides not to revoke the enforcement order to which the notice relates, it shall give notice of its decision to the licensee and to the persons affected.

(6) (a) It shall be the duty of a licensee to whom an enforcement order relates to comply with such order.

(b) A duty is also owed by the licensee to any person who may be affected by a contravention of the enforcement order and any such person who sustains any loss or damage as a result of such contravention, may institute an action against the licensee in a court of competent jurisdiction, for damages for such loss or damage.

(c) In proceedings brought against a licensee under paragraph (b), it shall be a defence for the licensee to prove that the licensee took all reasonable steps and exercised all due diligence, to avoid contravening the enforcement order.

(7) (a) If a licensee to whom an enforcement order applies fails to comply with such enforcement order in whole or in part, such licensee commits an offence under this Act, and shall be liable on conviction after a summary trial before a Magistrate to a fine not less than one million rupees and not exceeding ten million rupees, and to a further fine of five hundred thousand rupees for each day during which such contravention continues after conviction.



(b) The Regulator shall in making an enforcement order be entitled to direct that compensation be paid by the licensee to whom the enforcement order relates, to any person affected by the contravention specified in such order.

(c) The levies by way of fine and compensation which may be imposed under this section shall be in addition to and not in derogation of any other liability which the person guilty of non-compliance may incur.

(d) The Regulator may apply to a court of competent jurisdiction for an injunction or other remedy to secure compliance with an enforcement order by a licensee, notwithstanding the fact that it has instituted a prosecution against such licensee for failure to comply with such enforcement order.

(8) (a) Where the Regulator is satisfied that a licensee who is –

(i) subject to an enforcement order made by the Regulator; or

(ii) subject to an insolvency event,

is not carrying on the activities that such licensee is authorised to carry on under the licence properly, and that the supply of electricity to consumers is not being or is likely to be given in an efficient, secure and a safe manner, the Regulator may, by Order published in the *Gazette*, vest the management and control of the whole or a part of the undertaking of the licensee in any other authority or person specified in the Order and such authority or person shall have all the powers necessary for carrying on such undertaking.

(b) Any person or authority in whom the management and control of an undertaking is vested under paragraph (a), shall not be held liable for conduct amounting to a fraudulent preference under the Companies Act, No. 07 of 2007 on the ground that it is continuing to carry on the management and control of the licensee's undertaking.

(c) No Order shall be made under this section without giving the relevant licensee written notice of the proposed Order and affording the licensee a reasonable opportunity of being heard.

(d) During such period as an Order under this section is in force—

- (i) the licensee shall not be or continue to be voluntarily or compulsorily wound up without the consent of the Regulator;
- (ii) no steps shall be taken by any person to enforce or execute a judgment or security over that licensee's property, without ten days prior notice in writing to the Regulator; and
- (iii) the licensee shall not exercise any of his rights under the licence in relation to the undertaking or part thereof.

(e) In this section, "insolvency event" means—

- (i) the passing of a resolution for the winding up of a licensee, other than for the purposes of amalgamation or reconstruction;
- (ii) a licensee entering into a compromise with the licensee's creditors;

- (iii) the suspension by the licensee, of payment of debts or the inability of the licensee to pay the licensee's debts or the declaration of the licensee as bankrupt or insolvent; or
- (iv) the filing of a petition for the winding up of the licensee.

(9) Upon the revocation of a licence in terms of this section, the Regulator may, in consultation with the Minister take all steps necessary to vest the management and control of the business of the licensee whose licence has been revoked, to any entity who holds a valid licence to engage in a similar activity. The terms and conditions subject to which such vesting to be carried out shall be as prescribed.

**24.** A generation licensee shall be entitled to –

Additional  
conditions for  
generation  
licensees

- (a) establish, operate and maintain generating stations, tie-lines, sub-stations, and dedicated transmission lines and any other associated equipment connected therewith;
- (b) implement and maintain such technical or operational codes, standards or parameters in relation to the generation system as the National System Operator and National Transmission Network Service Provider considers necessary or expedient;

- (c) take all possible steps to protect persons, electricity plants and equipment from injury and damage;
- (d) develop and maintain electricity lines, cables, electricity plants and fuel handling and associated equipment;
- (e) sell electricity to any other licensee or consumer subject to the provisions of section 13;
- (f) submit technical details regarding its generating stations to the Regulator; and
- (g) co-ordinate with the National Transmission Network Service Provider and the national system operator licensee for transmission of the electricity generated by such licensee.

Additional conditions for a distribution licensees

**25.** (1) A distribution licensee may require any person who requires a supply of electricity in terms of this Act to accept in respect of such supply,-

- (a) any terms requiring that such person continues to receive and pay for such supply of electricity for a minimum period of time and subject to minimum consumption requirements;
- (b) any restrictions which may be required to be imposed for the purpose of enabling such licensee to comply with any regulations made under this Act, or the Electricity Supply Code which shall be as prescribed for the purposes of this Act; and

- (c) any terms restricting any liability of such licensee for any economic, consequential or other indirect loss sustained by such person, however arising, which it is reasonable in all the circumstances for that person to be required to accept.

(2) It shall be the duty of a distribution licensee to develop and maintain an efficient, coordinated and economically viable distribution system at the licensee's cost, in his area of supply and to supply electricity in terms of this Act, so as to enable owners or occupiers of premises in such area to obtain an electricity supply connection by paying the service connection charges from the nearest connecting point of the distribution line to the meter box on such premises, without requiring such owner or occupier to pay for the capital cost of erection of distribution lines and other associated connecting facilities.

(3) (a) A distribution licensee shall allow, on a non-discriminatory basis, a connection to an embedded generator including rooftop solar generator to its distribution network subject to the provisions of subsection (3) of section 11.

(b) The interconnection of such network shall be subject to compliance with the technical and safety requirements and other conditions as may be prescribed.

(4) The Regulator shall implement open access from such date as shall be determined by Order published in the *Gazette* in terms of section 13.

(5) (a) Where any person, whose premises is situated within the area of supply of a distribution licensee requires a supply of electricity from any other generation licensee or other distribution licensee, such person may, by notice, require

the distribution licensee in whose area of supply such person's premises is situated, to open access to such electricity supply in accordance with the rules made by the Regulator in terms of the provisions of subsection (1) of section 13 and the duties of the distribution licensee in whose area of supply such person's premises is situated with respect to such supply shall be of a common carrier providing non-discriminatory open access.

(b) Where the Regulator permits a consumer or class of consumers to receive supply of electricity from a person other than the distribution licensee of his area of supply, such consumer shall be liable to pay open access charges as provided for in section 13, as may be specified by the Regulator to meet the fixed cost of such distribution licensee arising out of his obligation to supply electricity.

(c) Every distribution licensee shall, within six months from the appointed date or date of grant of licence, whichever is earlier, establish a forum for addressing and providing a platform for the redress of grievances of the consumers in accordance with the rules made by the Regulator.

Power to  
recover  
expenditure

**26.** (1) Where any electrical line or electrical plant is provided by the distribution licensee for the purpose of connect and supply of electricity to any person requiring a supply of electricity, subject to the provisions of subsection (2) of section 25, the licensee may require any expenses reasonably incurred in providing the line or plant or the connect and supply of electricity to the person concerned, to be defrayed by such person, to such extent as is allowed by the conditions of the distribution licence.

(2) Where any person who requires a supply of electricity but has not sufficient means to defray the expenses incurred by the distribution licensee under subsection (1), such person may request the distribution licensee to connect and supply

the electricity to the premises concerned, on the basis of recovering such expenses in reasonable monthly instalments along with the tariff and any other charges levied by the distribution licensee, in terms of the standard tariff agreement.

(3) Where the distribution licensee is satisfied that a person as referred to in subsection (2) does not have sufficient means to defray in total the expenses incurred by the licensee, prior to providing the line or plant or connect and supply of electricity to the premises concerned, such person shall be required to enter into an agreement with the distribution licensee relating to the manner in which the expenses would be defrayed by him to the distribution licensee, before providing the line or plant or connect and supply of electricity to the premises is being attended to by the distribution licensee.

(4) The information required by the distribution licensee for the purpose of being satisfied as provided for in subsection (3), that a person does not have sufficient means to defray any expenses incurred by such licensee, shall be based on such guidelines as shall be prescribed.

(5) The Regulator may direct a person requiring a supply of electricity from a distribution licensee, to pay to the licensee in respect of any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply, such amount as may be reasonable in all the circumstances, taking into account—

- (a) the period of time between laying the distribution line and making the connection;
  - (b) any payment any other person has previously made to the licensee in respect of such expenses;
- and

(c) the extent to which the licensee has already recovered the licensee's expenses.

(6) Directions given by the Regulator under subsection (5) may require the distribution licensee who has recovered an amount in respect of expenses reasonably incurred in providing any electric line or electrical plant to apply any amount so recovered or part thereof in making such payments as may be appropriate towards reimbursing any person who had previously contributed to such expenses.

(7) Any reference in this section to "any expenses reasonably incurred in providing an electric line or electrical plant" includes a reference to the capitalized value of any expenses likely to be so incurred in maintaining the line or plant, in so far as such expenses are not recoverable by the distribution licensee as part of the charges made by the licensee for the supply of electricity.

Power to require security

**27.** (1) Subject to the provisions of this section, a distribution licensee may require by notice in writing, any person who requires a connection and supply of electricity to provide reasonable security for the payment of all money which may become due to the licensee—

(a) in respect of the supply; or

(b) where any electric line or electrical plant requires to be provided for such supply, in respect of the provision of such line or plant,

and if that person fails to provide such security, the distribution licensee may refuse to give the supply, or refuse to provide the line or plant, for so long as the failure continues.



(2) Where any person has not provided such security as is required under subsection (1), or the security provided by such person has become insufficient—

- (a) the distribution licensee may, by notice require such person to provide within seven days after the service of the notice, reasonable security for the payment of all monies which may become due to the licensee in respect of the supply; and
- (b) if that person fails to provide such security, the licensee may refuse to make the connection or discontinue the supply, as the case may be, for so long as the failure continues.

(3) Where any sum of money is provided to a distribution licensee by way of security in pursuance of this section, the licensee shall pay interest on such sum of money at such rate as may, from time to time, be fixed by the licensee with the approval of the Regulator for the period in which it remains in the hands of the licensee.

**28.** (1) Where any person or category of persons engages in the generation and distribution of electricity, and the capacity or amount of electricity so generated is below such amount as the Regulator, in consultation with the National System Operator specifies by Order published in the *Gazette*, such person or category of persons shall be deemed, by operation of law, to be statutorily exempted from the requirement of obtaining a licence therefor.

Statutory  
exemptions

(2) Where it is brought to the notice of the Regulator that the person or category of persons enjoying such statutory exemption is in violation of the amount specified in subsection (1), the Regulator shall immediately notify such person or category of persons to cease all activities

connected with such generation and distribution and forthwith disconnect all equipment used for such purpose.

## PART VIII

### TARIFFS

Tariffs

**29.** (1) The national tariff policy shall include the principles to be adopted by the Regulator in setting the tariffs specified in subsection (3) and shall be submitted to the Cabinet of Ministers for approval.

(2) In setting the tariffs, the Regulator shall ensure financial sustainability including a reasonable return on the investment of the regulated entities.

(3) The following shall be the tariffs required to be set, as shall be prescribed by the Regulator in accordance with the national tariff policy:-

- (a) the feed in tariff, determined and updated every six months, to be included in standard power purchase agreements payable to generators supplying electricity to the National System Operator in accordance with subsection (3) of section 11;
- (b) the power purchase tariff from the new generation licensees, procured in accordance with subsection (1) of section 11;
- (c) the power purchase tariff from the generation licensees issued to Ceylon Electricity Board's successor companies and which shall include the debt service cost of the portion of the Ceylon Electricity Board's debt allocated to such

successor companies as provided for in paragraph (b) of subsection (3) of section 18;

- (d) the bulk sale tariff of the National System Operator to the distribution licensees;
- (e) the transmission tariff and open access charges payable to transmission and distribution licensees;
- (f) the end user consumer tariff consisting of distribution tariff and supply tariff for consumers connected to the distribution network and applicable supply tariff for consumers connected to the transmission network; and
- (g) the allowed revenue to be recovered by transmission and distribution licensees.

(4) The provisions of this section shall apply to “tariffs” and “other charges” to be levied by the National System Operator -

- (a) for procuring of electricity in bulk form from the generation licensees including when so required, the import of electricity from the generators or suppliers of the regional market (hereinafter referred to as the “bulk purchase tariff”);
- (b) for the sale of electricity in bulk form to the distribution licensees or to any consumers or traders or customers in the export market (hereinafter referred to as the “bulk sale tariff”):

Provided that, with the establishment of the Wholesale Electricity Market in the manner provided for in terms of Part IX and its implementation from such date as shall be determined by Order published in the *Gazette* in terms of

section 1, the tariffs specified in paragraphs (a) and (b) of this subsection shall cease to be operative in a phased manner.

(5) All tariffs shall be set in accordance with a cost reflective mechanism in accordance with the national tariff policy permitting the relevant licensees to recover the eligible reasonable costs, including reasonable return on investments allowed under the national tariff policy.

(6) The end user consumer tariff levied by a distribution licensee for the distribution and supply of electricity or distribution or supply of electricity (hereinafter referred to as the “distribution and supply tariffs”) shall consist of-

- (a) the distribution tariff set by the Regulator, based on the national tariff policy upon consideration of the reasonable cost of maintaining and operating the distribution network including consumer services; and
- (b) the supply tariff set by the Regulator to recover the cost of the bulk purchase tariff and transmission tariff paid by the distribution licensees:

Provided that, with the establishment of the Wholesale Electricity Market in terms of Part IX and its operation in terms of section 1, the supply tariff shall be determined on the basis of the power procurement cost of the distribution licensees from the market.

(7) For the avoidance of doubt, it is stated that –

- (a) the end user consumer tariffs levied by the distribution licensees shall consist of two distinct

tariffs namely, the “electricity distribution tariff” and the “supply tariff”;

- (b) with the implementation of open access at a future date, the supply tariff shall cease to be applicable to consumers opting for open access, as open access charges shall be determined on the basis of commercial agreements between the generation licensees and the eligible traders or customers opting for open access:

Provided that, the distribution licensee shall be entitled to levy the distribution tariff from such consumers availing of open access as part of the open access charges.

(8) The open access charges to be levied by transmission and distribution licensees shall be set by the Regulator in terms of the relevant provisions of the national tariff policy applicable to the determination of open access charges.

(9) The bulk purchase tariff, bulk sale tariff, transmission tariff, open access charges, and the distribution tariff and the supply tariff, as the case may be, shall be determined by the Regulator based on tariff filings made by the licensees as shall be prescribed in accordance with the national tariff policy and shall—

- (a) allow the relevant licensee to recover all reasonable costs incurred including the reasonable return on investment in the carrying out of all activities authorised by the licence granted to such licensee on an efficient basis; and
- (b) be published in such manner as may be determined by the Regulator ensuring wide public awareness.

(10) The licences of the National System Operator, the National Transmission Network Service Provider, or a distribution licensee, as the case may be, shall include provisions for bulk purchase tariff or for bulk sale tariff and other charges or for transmission tariff and other charges or for open access charges and other charges, and for distribution tariff and supply tariff and other charges, as the case may be. All such tariffs shall be subject to review by the Regulator in the manner as shall be prescribed and which also provide for –

- (a) the annual timetable for the review of transmission tariff and distribution tariffs, open access charges and other charges;
- (b) a quarterly timetable for the review of bulk sale tariff, bulk purchase tariff and supply tariff; and
- (c) the manner in which consumers and other interested parties could participate in the procedure for purposes of review.

(11) notwithstanding any other provision of this Act, the Regulator may -

- (a) upon being satisfied of the adequacy of funds being provided by the Government to bear the cost of any subsidy to distribution companies approved by the Government to subsidize certain consumers; and
- (b) considering any cross subsidy recoverable from such categories of consumers in terms of the national tariff policy,

set tariffs and charges to be levied by the relevant licensees, which reflect such subsidies.

PART IX

WHOLESALE ELECTRICITY MARKET

**30.** (1) The Minister shall, by Order published in the *Gazette* under section 1, specify the date from which the Wholesale Electricity Market shall commence operations, subject to any conditions which may be stated therein.

Establishment of  
the Wholesale  
Electricity  
Market

(2) The Wholesale Electricity Market shall be a competitive market and the operating procedures to be adopted in the operation thereof shall be as prescribed.

(3) Prior to an Order being made in terms of subsection (1) for the operation of the Wholesale Electricity Market by the National System Operator, the Minister shall ensure that regulations, terms and conditions, guidelines, and rules necessary for facilitating the efficient operation of the Wholesale Electricity Market have been made identifying and specifying the operating, technical, commercial and economic parameters and the market monitoring processes.

(4) The Minister may, with the approval of the Cabinet of Ministers in the interests of the national economy, allow the distribution licensees to enter into power purchase agreements with generation licensees prior to the establishment of the Wholesale Electricity Market.

PART X

CONSUMER PROTECTION

**31.** The Minister shall issue policy guidelines in consultation with the Regulator, on steps to be adopted to prevent anti-competitive practices, monopolies, collusion and abuses of a dominant position, and consequent merger

Policy  
guidelines  
relating to  
competition  
practices

situations affecting the competition in the Electricity Industry.

Standard for supply of electricity

**32.** (1) Regulations may be made under this Act prescribing the standards required to be maintained by distribution licensees in connection with the supply of electricity and the provision of electricity supply services to tariff customers.

(2) Regulations referred to in this section shall, as far as practicable, be made after consultation with distribution licensees and with persons or bodies representative of persons likely to be affected by the proposed regulations.

(3) Where any person suffers any loss or damage of a prescribed description by reason of the failure of a distribution licensee to meet any standard prescribed by regulations made under this section, the distribution licensee shall pay such person compensation of such amount calculated in such manner as is specified in such regulations.

(4) The payment of compensation to any person as provided for in subsection (3) in respect of a failure by a distribution licensee to meet a standard prescribed by regulations made under this section shall be without prejudice to any other remedy which is available to such person in respect of the act or omission constituting such failure.

(5) Any dispute arising from the enforcement of regulations made under this section may be referred to the Regulator by a distribution licensee or a tariff customer or any other affected party, and the Regulator may determine such dispute in accordance with the provisions of section 46.



**33.** The Regulator may, after consultation with distribution licensees and with persons or bodies representative of persons likely to be affected, from time to time, –

Standards of overall performance and efficient use of electricity

- (a) determine such standards of overall performance in connection with the quality of electricity supply and electricity supply services and the promotion of the efficient use of electricity by consumers as in its opinion, ought to be attained by such distribution licensees; and
- (b) arrange for the publication in such form and in such manner as it considers appropriate, of the standards so determined.

**34.** (1) The Regulation shall, from time to time, collect information with respect to—

Information with respect to levels of performance

- (a) the compensation paid by distribution licensees in terms of the regulations made under section 32, if any;
- (b) the levels of overall performance attained by such licensees in connection with the provision of electricity and electricity supply services; and
- (c) the levels of performance attained by such licensees in connection with the promotion of the efficient use of electricity by consumers.

(2) On or before such date in each year as may be specified in a direction given by the Regulator each distribution licensee shall furnish to the Regulator such information as it may require relating to the standards, including—

- (a) as respects each standard prescribed by regulations under section 32, the number of cases in which compensation was paid and the aggregate amount or value of the compensation paid; and
- (b) as respects each standard determined under section 33, such information with respect to the level of performance attained by the licensee as may be required by the Regulator.

(3) A distribution licensee who without reasonable cause, fails to do anything required of the licensee by subsection (2) commits an offence and shall, on conviction be liable after a summary trial before a Magistrate, to a fine not exceeding one million rupees and to an additional fine of fifty thousand rupees for each day during which such offence is continued to be committed after such conviction, which shall be paid into the Fund of the Regulator established under section 31 of the Public Utilities Commission of Sri Lanka Act.

(4) Subject to the provisions of section 7, the Regulator shall at least once in every year arrange for the publication in such form and in such manner as it considers appropriate, of such information collected by or furnished to it under this section, as may appear to it expedient to give to customers or potential customers of distribution licensees.

## PART XI

### FINANCE

Annual Levy

**35.** (1) There shall be levied and recovered from every licensee an annual levy of such amount as may be determined by the Regulator with the approval of the Ministers assigned the subjects of Finance and Policy Implementation, by Order published in the *Gazette*.

(2) In determining the annual levy for any year, the Regulator shall have regard to the following :—

- (a) the estimated expenditure of the Regulator for that year; and
- (b) any unrecovered expenditure from the previous year.

(3) The levy imposed under subsection (1) on a licensee for any year shall be paid by the licensee to the Regulator before the thirtieth day of June of that year.

(4) Where the licensee fails to pay the levy imposed under subsection (1) for any year before the thirtieth day of June of that year, the levy shall be deemed to be in default and the Chairman of the Regulator appointed under section 8 of the Public Utilities Commission of Sri Lanka Act (hereinafter referred to as the “Chairman”), shall issue a certificate certifying the amount of the levy due from the licensee.

(5) Upon the production of a certificate issued by the Chairman under subsection (4) before the District Court within whose jurisdiction the business of the licensee referred to in the certificate is being carried on, upon giving a due hearing to the licensee, the Court shall issue a writ of execution to issue to the Fiscal authorizing the Fiscal to seize and sell all or any of the property movable or immovable of such licensee, necessary for the recovery of the amount specified in the certificate and the provisions of section 226 to section 297 of the Civil Procedure Code shall, *mutatis mutandis*, apply to the execution of such seizure and sale.

(6) Where the Chairman issues a certificate under subsection (4), the Chairman shall notify in writing to the

licensee specified in the certificate, that the amount specified in the certificate is payable by the licensee, but the non receipt of such notice shall not invalidate any proceedings instituted under this section.

(7) Nothing in this section shall affect or be deemed to affect the right of the Regulator to recover in any other manner, the amount of any levy in default.

## PART XII

### MISCELLANEOUS

Licence required  
for overhead  
and  
underground  
electricity lines

**36.** (1) Subject to the provisions of subsection (2), a person shall not install an electricity line above or below the ground, except in accordance with a licence obtained in that behalf in terms of this Act.

(2) The provisions of subsection (1) shall not apply –

- (a) to an electricity line or an underground cable which has a nominal voltage not exceeding thirty-three kilovolts, or any other higher voltage as may be determined by the Regulator; and
- (b) to such portion of an electricity line as is or will be, within the premises being occupied or is under the control of the person responsible for its installation.

(3) A licence granted under this Act –

- (a) may include such conditions (including conditions as to the ownership and operation of the electricity line) as appear to the Regulator to be appropriate;

(b) may be varied or revoked by the Regulator at any time after the end of such period as may be specified in the licence; and

(c) subject to paragraph (b), shall continue in force for such period as may be specified in, or determined by, or under the licence.

(4) The Regulator may direct that an electricity line be designated as a “high voltage line” for the purposes of this Act.

**37.** (1) Where the President on a recommendation made by the Minister is of the opinion that any immovable property is required for a power generation project or a transmission project and that such project would serve for the general welfare and benefit of the public, the President may by Order published in the *Gazette*, declare that such immovable property is required for such purpose, and the property may accordingly be acquired under the Land Acquisition Act (Chapter 295) and be transferred to the person or persons proposing to carry out such project.

Acquisition of property for power generation and transmission projects

(2) The provisions of section 3 to section 8 (both inclusive) of the Urban Development Projects (Special Provisions) Act, No. 2 of 1980 shall, *mutatis mutandis*, apply to and in relation to an acquisition of property under subsection (1).

(3) Any sum payable for the acquisition of any immovable property under subsection (1), shall be paid by the person or persons to whom the property is transferred.

PART XIII

GENERAL

Establishment of  
the Power Sector  
Reforms  
Secretariat

**38.** (1) There shall be established for the purpose of assisting the Minister in the implementation of the reform process as provided for in this Act, a secretariat called and known as the Power Sector Reforms Secretariat.

(2) (a) The Minister shall appoint not more than five persons with integrity, one of whom shall have not less than ten years of experience in electrical engineering, and the other four persons with not less than ten years of experience in one or more of the following fields to be members of the Power Sector Reform Secretariat: -

- (i) power system planning and operation;
- (ii) human resource management;
- (iii) State owned enterprise restructuring;
- (iv) law;
- (v) public private partnership; or
- (vi) finance.

(b) The Minister shall appoint a person possessing not less than fifteen years of experience in one or more of the following fields to be the Director-General of the Power Sector Reforms Secretariat:-

- (i) power system planning and operation;
- (ii) human resource management;
- (iii) State owned enterprise restructuring;
- (iv) electrical engineering;
- (v) public private partnership; or
- (vi) finance.

(3) The Power Sector Reforms Secretariat shall have the power to direct and oversee the implementation of the reforms enumerated in this Act. The Secretary to the Ministry

of the Minister shall in the implementation of the reforms process as envisaged in this Act, exercise supervision over the Power Sector Reforms Secretariat subject at all times, to the direction and control of the Minister.

- (4) The Power Sector Reforms Secretariat shall -
- (a) assist the Minister in implementing the provisions of this Act and ensuring that the new companies incorporated in terms of the Companies Act, No.07 of 2007 as specified in section 17 commence operations as provided for in this Act;
  - (b) assist the Minister in prioritizing and facilitating the preparation of regulations to be made under the provisions of this Act in order to ensure the implementation of the reforms to the Electricity Industry;
  - (c) facilitate the preparation in an expeditious manner of the preliminary transfer plan and the final transfer plan required for the finalisation of the reforms process;
  - (d) coordinate the formulation of a comprehensive and efficient financial restructuring process which identifies methodology to be applied to the restructuring of the assets and liabilities of the Ceylon Electricity Board including the completion of the process of divesting the Ceylon Electricity Board of its activities as identified in the Transfer Plan prepared in terms of section 18; and
  - (e) initiate capacity building of the National System Operator in operating the reformed power sector

and in the procurement of new generation capacity using competitive, transparent and accountable procedures.

(5) The provisions relating to the Power Sector Reforms Secretariat shall cease to be operative on the expiration of a period of two years from the date on which the Bill becomes an Act of Parliament:

Provided that, the Minister may, thirty days prior to the expiration of the said period of two years, by an Order published in the *Gazette*, extend subject to obtaining the approval of the Cabinet of Ministers for such extension, the functioning of the Power Sector Reforms Secretariat by one year at a time:

Provided further, the cumulative period for which the Power Sector Reforms Secretariat may be so extended shall not extend beyond a period of five years from the date on which the Bill becomes an Act of Parliament.

Ceylon  
Electricity Board  
required to  
provide all data  
and information  
in its possession  
to the Power  
Sector Reforms  
Secretariat

**39.** (1) The Board of Directors of the Ceylon Electricity Board shall cooperate with the Power Sector Reforms Secretariat in the restructuring activities being carried out in terms of this Act. The General Manager of the Ceylon Electricity Board shall on behalf of the Board of the Ceylon Electricity Board be required to furnish to the Power Sector Reforms Secretariat -

- (a) all data and documents and any other material information including, information relating to all activities being carried out by the Ceylon Electricity Board, in whatever form, in the possession of the said Board;
- (b) preliminary allocation of all assets and preliminary valuation of such assets including



land, building, plant and machinery and other movable assets to successor companies prior to the appointed date with such valuation being carried out by the Chief Valuer:

Provided that, the Chief Executive Officer of the residual company established under paragraph (e) of subsection (3) of section 18 shall be responsible for final asset allocation and final asset valuation to be included in the final transfer plan;

- (c) information relating to the financial status of the Ceylon Electricity Board;
- (d) preliminary staff allocation to successor companies including the residual company prior to the appointed date:

Provided that, the Chief Executive Officer of the residual company established under paragraph (e) of subsection (3) of section 18 shall be responsible for the final allocation to be included in the final transfer plan and addressing staff grievances in that regard;

- (e) information relating to all pending litigation of the Ceylon Electricity Board;
- (f) information of all contractual commitments the Ceylon Electricity Board has entered into which are required for the purpose of finalising the transfer plan required by section 18:

Provided that, the Power Sector Reforms Secretariat shall maintain confidentiality in respect of all information received from the Ceylon Electricity Board and use such information only

for the purpose of exercising and discharging its powers and functions in terms of the provisions of this Act:

Provided further, the General Manager of the Ceylon Electricity Board shall be responsible for providing the allocation of contractual commitments of Ceylon Electricity Board to successor companies prior to the appointed date.

Application of certain provisions of the Anti - Corruption Act, No. 9 of 2023, to this Act

**40.** The provisions of Chapter I of Part III under the heading “Offences relating to Bribery or Corruption” of the Anti- Corruption Act, No. 9 of 2023 shall, *mutatis mutandis*, apply to or in relation to the provisions of this Act.

Extraction of electricity to be an offence

**41.** (1) Every person who takes, uses or extracts any electricity –

- (a) which is in the course of being transmitted or distributed by a transmission or distribution licensee; and
- (b) otherwise than in pursuance of a contract made with a distribution licensee or other transmission licensee,

commits an offence and shall, on conviction after a summary trial before a Magistrate be liable to a fine not exceeding one hundred thousand rupees and to an additional fine in a sum of money being the value of the loss or damage caused to the licensee as a result of the act or default constituting such offence or to imprisonment of either description for a term not exceeding three months or to both such fine and imprisonment. Any sum recovered as an additional fine shall be paid to the licensee on application made to court.

(2) Any person who aids or abets the commission of any offence punishable under this section shall be guilty of an offence under this Act and be liable to the same punishment as is provided for such offence.

(3) Where two or more persons are convicted of having committed the same offence whether as principal offender or abettor, the value of such loss or damage may be apportioned among such persons and the amount so apportioned shall be imposed on each of such persons as a fine.

(4) A certificate issued by the licensee shall be received as proof of the value of such loss or damage in the absence of evidence to the contrary. In the absence of any agreement, a licensee may charge the offenders for electricity supplied as if it were electricity supplied to a consumer in accordance with the method of charging provided for in the licence.

**42.** (1) Without prejudice to the provisions of this Act, every person who –

Improper use of  
electricity to be  
an offence

- (a) not being an authorised officer of a licensee, connects or disconnects any electricity line through which electricity is or may be supplied by the licensee to or from meter, indicator or other apparatus;
- (b) without the consent of a licensee lays, or causes to be laid, any electricity line or connects any electricity line, equipment, apparatus, or works, for the purpose of establishing a connection with any electricity line, apparatus or works belonging to a licensee; or

- (c) intentionally or negligently -
- (i) alters the quantity of electricity supplied to any premises by a distribution licensee as registered on any meter used for measuring the same; or
  - (ii) prevents any meter from duly registering the quantity of electricity supplied through that meter,

commits an offence under this Act and shall on conviction after a summary trial before a Magistrate be liable to a fine not less than one hundred thousand rupees and not exceeding five hundred thousand rupees and to an additional fine in a sum of money being the value of the loss or damage caused to the licensee as a result of the act or default constituting such offence, and such recovered additional fine shall be paid to the licensee on application made to court by such licensee.

(2) Where any person is prosecuted for an offence under paragraph (c) of subsection (1), a certificate issued by the distribution licensee to the effect that -

- (a) the meter was in the custody or under the control of the person being prosecuted; and
- (b) there is clear proof that the meter has been tampered causing an alteration of the register of the quantity of electricity registered on such meter and therefore, preventing the meter from duly registering such usage,

shall be admissible in evidence and shall be *prima facie* proof of the matters contained therein.

(3) Any person who aids or abets the commission of any offence punishable under this section shall be guilty of an offence under this Act and shall be liable to the same punishment as is provided for the principal offence. Where two or more persons are convicted of having committed the same offence, whether as principal offender or abettor, the value of such loss or damage may be apportioned among such persons and the amount so apportioned shall be imposed on each of such persons as a fine.

(4) A certificate issued by the licensee shall be received as proof of the value of such loss or damage in the absence of evidence to the contrary. In the absence of any agreement, a licensee may charge for energy supplied to any consumer in accordance with any method of charging provided for in the licence.

(5) In the case of the offence specified in subsection (1) being continued after conviction, there shall be imposed a further fine not exceeding five thousand rupees for each day on which such offence is being continued after conviction.

(6) Where any person is convicted of an offence under paragraph (c) of subsection (1), the distribution licensee may discontinue the supply of electricity to the premises of the person convicted and remove the meter in respect of which the offence was committed and thereafter keep the same in safe custody, until the Regulator authorises the licensee to dispose it. However, in the event that the unpaid dues are recovered by the distribution licensee, the distribution licensee shall, within a reasonable period of time, restore the supply of electricity that was discontinued.

(7) Notwithstanding anything to the contrary in the Code of Criminal Procedure Act, No.15 of 1979, an offence under this Act shall be a cognizable offence within the meaning and for the purposes of that Act.

General penalty

**43.** (1) Every person who contravenes any provision of this Act or any regulation made thereunder commits an offence under this Act and shall, except as otherwise expressly provided in this Act, be liable on conviction after summary trial before a Magistrate to a fine not exceeding two hundred thousand rupees and in any case where such offence is continued after conviction, to a further fine not exceeding five thousand rupees for each day on which such offence being continued after conviction.

(2) Upon conviction of any person for an offence under this Act, a Magistrate may, in addition to, or in lieu of, imposing any punishment specified for the offence under subsection (1), make an order directing that any installation or other apparatus involved in the commission of the offence shall be dismantled and removed before a date specified in such order.

(3) An officer authorised in writing by the Regulator may institute proceedings in a Magistrate's court for an offence under this Act notwithstanding anything to the contrary in any other written law.

(4) No prosecution for an offence under this Act shall be instituted except with the written sanction of the Regulator.

Offences by  
bodies of  
persons

**44.** Where an offence under this Act is committed by a body of persons, then –

- (a) if that body of persons is a body corporate, every director and officer of that body corporate; or
- (b) if that body of persons is a partnership, every partner of that partnership,

shall be deemed to be guilty of that offence:

Provided that, that a director or officer of that body corporate or a partner of such partnership shall not be deemed to be guilty of such offence, if such person proves that such offence was committed without the knowledge of such person or that such person used all due diligence as was necessary, to prevent the commission of such offence.

**45.** (1) Where the Regulator has reasonable grounds to believe that an activity contrary to the provisions of this Act is being carried out on any premises, the Regulator or any officer acting on behalf of the Regulator may, on obtaining a warrant from a Magistrate, and on production of the same, if required, -

Powers of entry,  
inspection and  
search

- (a) to enter, inspect and search at all reasonable hours of the day the premises in which any regulated entity is carrying on its business or any other connected premises; and
- (b) to inspect, take copies of or seize and detain any relevant records or documents of that regulated entity.

(2) Any person who obstructs the Regulator or an officer acting on behalf of the Regulator in the exercise of his powers under this section commits an offence.

**46.** (1) Where any dispute connected with the supply or use of electricity arises between or in relation to-

Resolution of  
disputes

- (a) a licensee and a tariff customer;
- (b) a licensee and another licensee;
- (c) a licensee and any other affected party;
- (d) use of electricity meters; or

- (e) the payment of tariffs in terms of the provisions of this Act,

and where the parties have not been able to resolve the dispute, any aggrieved person may, forthwith forward a written request to the Regulator requesting the matter in dispute to be heard and determined by the Regulator.

(2) Upon receipt of a request under subsection (1), the Regulator shall mediate and resolve the dispute unless the Regulator determines that it is more appropriate for the dispute to be determined either by the court or through arbitration.

(3) In mediating and resolving any dispute under subsection (2), the Regulator may, where it considers it expedient to do so, refer such dispute for the purpose of resolution to a panel of mediators consisting of three persons appointed by the Regulator, one of whom shall be either a member of the Regulator or a member of the staff of the Regulator or a public officer, who shall function as the Chairperson of such panel. The panel of mediators shall make every endeavour to resolve the dispute referred to it and bring about a settlement among the parties to the dispute and conclude its deliberations within the time, as shall be specified by the Regulator.

(4) The practice and procedure to be followed in the resolution of any dispute under this section shall be as prescribed.

(5) A resolution by the Regulator under this section –

- (a) may include such incidental, supplemental and consequential provisions, including provisions



requiring either party to pay a sum in respect of the costs or expenses incurred by the Regulator as the Regulator considers appropriate; and

- (b) shall be final and shall be enforceable so far as it includes such provisions as to costs or expenses incurred by the Regulator in the District Court of Colombo, as if it were a decree entered by that court for the payment of money.

(6) Where the Regulator includes any provision as to costs and expenses in the resolution under this section, the Regulator shall have regard to the conduct and means of the parties and any other relevant circumstances.

**47.** (1) The Consumer Affairs Authority established by the Consumer Affairs Authority Act, No. 9 of 2003, shall not exercise any powers, duties or functions conferred on that Authority by that Act, in relation to the exercise, discharge or performance of the powers, duties and functions conferred on the Regulator by this Act or the Public Utilities Commission of Sri Lanka Act.

Consumer  
Affairs  
Authority Act  
not to apply

(2) The Regulator shall, wherever the need to do so arises and in the absence of specific provisions in this Act and in the Public Utilities Commission of Sri Lanka Act relating to the protection of the rights of consumers, exercise, perform and discharge such of the powers, duties and functions conferred on the Consumer Affairs Authority established by the Consumer Affairs Authority Act, No. 9 of 2003 as are relevant thereto, and the provisions of that Act shall, *mutatis mutandis*, apply to and in regard to the exercise, performance and discharge of such powers, duties and functions by the Regulator.

- Rules
- 48.** (1) Rules may be made in respect of all matters for which rules are required or authorised to be made in terms of this Act.
- (2) Every rule made in terms of this Act shall be published in the *Gazette* and shall come into force on the date of such publication or on such later date as may be specified therein.
- Orders
- 49.** (1) Every Order made in terms of this Act shall be published in the *Gazette* and shall, other than the Orders made in terms of section 1, come into operation on the date of such publication.
- (2) Every Order published in the *Gazette* in terms of subsection (1) shall be placed before Parliament for approval, by a resolution of Parliament, within ninety days from such publication.
- (3) Any Order not so approved shall be deemed to be rescinded with effect from the date of the resolution but without prejudice to anything duly done thereunder.
- Regulations
- 50.** (1) The Minister may make regulations under this Act in respect of all matters required by this Act to be prescribed or in respect of which regulations are required or authorised by this Act to be made.
- (2) Every regulation made under this section shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified therein.

(3) Every regulation made under this section shall within three months of its publication in the *Gazette* be brought before Parliament for approval. Any such regulation, which is not so approved shall be deemed to be rescinded as from the date of its disapproval, but without prejudice to anything duly done thereunder.

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

#### PART XIV

##### REPEALS AND TRANSITIONAL PROVISIONS

**51.** (1) With effect from the appointed date, the Ceylon Electricity Board Act, No.17 of 1969 shall stand repealed. Notwithstanding the repeal of the Ceylon Electricity Board Act, No. 17 of 1969 -

Repeals and  
Transitional  
Provisions

(a) all regulations made under the repealed Ceylon Electricity Board Act, No.17 of 1969, and in force on the day immediately preceding the appointed date, shall, in so far as such regulations are not inconsistent with any provision of this Act, continue to be in operation from and after the appointed date, until regulations are made under this Act, to replace such regulations;

- (b) the provisions of the promotion schemes, codes of conduct and the disciplinary codes of the Ceylon Electricity Board in force on the day immediately preceding the appointed date shall, in so far as such promotion schemes, codes of conduct and the disciplinary codes are not inconsistent with any provision of this Act, continue to be in operation from and after the appointed date, in respect of any matter or question arising in relation to the promotions, conduct and disciplinary control of the employees of the Ceylon Electricity Board who have opted to continue in the service of the successor companies, until promotion schemes, codes of conduct and disciplinary codes are adopted by the successor companies to regulate promotions, conduct and disciplinary control of such employees;
- (c) where after the appointed date, there remains any matter or issue arising in or concerning the Electricity Industry, for which no provisions or no effective provision has been made in this Act, such of the provisions of the Ceylon Electricity Board Act, No.17 of 1969 as are not inconsistent with the provisions of this Act shall, from and after the appointed date, continue to be in operation and be applicable only in respect of any such matter or issue only and no other, until provision is made in this Act for such purpose;
- (d) all actions or proceedings whatever nature instituted by or against the Ceylon Electricity Board and pending on the day immediately

preceding the appointed date shall be deemed as from the appointed date to be actions and proceedings instituted by or against the respective successor company and may be continued accordingly;

- (e) all judgments, decrees or orders of any court made in favour or against the Ceylon Electricity Board before the appointed date, shall from and after such date be deemed to continue to be in force and shall be enforced accordingly in terms of this Act;
- (f) any reference to the Ceylon Electricity Board in any notification, contract, instrument, record, share certificate, document, deed, bond, agreement, guarantee, Power of Attorney, grant of legal representation or any other instrument of whatever nature, which are currently in force shall be deemed to be valid and effectual and continue to be enforced accordingly in terms of this Act.

(2) With effect from the appointed date, the Sri Lanka Electricity Act, No. 20 of 2009, shall stand repealed. Notwithstanding the repeal of Sri Lanka Electricity Act, No. 20 of 2009-

- (a) all licences and deemed licences issued under the provisions of Sri Lanka Electricity Act, No.20 of 2009, and in force on the day preceding the appointed date shall, in so far as such licences authorised any one of the following activities, shall from and after the appointed date, continue to be valid and effective for a period of nine months from such date :-

- (i) all generation licences and deemed generation licences issued for generation of Electricity;
- (ii) the national transmission network service provider licence deemed to have been issued to carry on activities listed under sections 15 and 16 of this Act for operation, maintenance, future planning and development of the National Transmission Network (also referred to as the “National Grid of Sri Lanka”);
- (iii) the distribution licences issued for the distribution of electricity and or to supply of electricity to consumers and or to any premises of the authorised areas of the distribution divisions of the Ceylon Electricity Board;
- (iv) national system operator licence deemed to have been issued to carry on activities listed under section 10;
- (v) distribution licence issued to Lanka Electricity Company (Private) Ltd., for distribution and or to supply of electricity to consumers or to any premises of the authorised area of the Lanka Electricity Company (Private) Ltd.:

Provided that, not less than six months prior to the expiry of the period of nine months referred to in paragraph (a) of subsection (2), all licensees and deemed licensees

shall be required to forward applications to obtain licences in terms of the provisions of this Act:

Provided further, all generation licences issued to entities other than the Ceylon Electricity Board and the distribution licence issued to the Lanka Electricity Company (Private) Ltd. shall continue for the remaining period of such licences. The successor companies to be formed to take over the generation activities currently undertaken by the Ceylon Electricity Board, the National Transmission Network Service Provider, National System Operator and the distribution companies shall be deemed to be licensed to undertake the tasks assigned under this Act for a period of nine months and within six months from the appointed date, these entities shall be required to apply for new licences under this Act; and

- (b) all regulations made under section 56 of the repealed Sri Lanka Electricity Act, No. 20 of 2009, and in force on the day immediately preceding the appointed date shall, with effect from such date, continue to be in force and be deemed, in so far as such regulations are not inconsistent with any provision of this Act, until regulations are made under this Act.

(3) The Registrar of Lands, shall be required to register all lands that have been transferred from the Department of Government Electrical Undertakings and the local authorities to the Ceylon Electricity Board by virtue of the operation of the provisions of Part II of the Ceylon Electricity Board Act, No. 17 of 1969, upon submission of a certificate issued under the hand of the General Manager of the Ceylon Electricity Board based on information and documentary proof in respect of such transfer as is within the possession and control of the General Manager certifying that the Ceylon Electricity

Board is the owner of all lands described (with metes and boundaries) in the Schedule annexed to such certificate.

(4) A certificate shall be issued under the hand of the General Manager of the Ceylon Electricity Board to the effect that the Ceylon Electricity Board became the owner and occupier of the lands more fully described in the Schedule annexed to the certificate as from the date of taking over the all electrical undertakings including all assets and lands, which were owned and possessed by the Department of Government Electrical Undertakings or any local authority, by virtue of the operation of the provisions of Part II of the Ceylon Electricity Board Act, No. 17 of 1969 and from and after the date on which all electrical undertakings of the Department of Ceylon Electricity Board had enjoyed all benefits of those lands and assets as the property of the Ceylon Electricity Board free of any encumbrances.

(5) For the purpose of this section, the term “Registrar of Lands” means the Registrar of Lands appointed under the Registration of Documents Ordinance (Chapter 117) and having jurisdiction over the districts or divisions in which such lands are situated.

Interpretation

**52.** In this Act unless the context otherwise requires -

“additional transmission licensees” means, the companies to which additional transmission licences are granted under subsection (2) of section 14;

“authorise” means authorised by licence or exemption under this Act;

“authorised area” in relation to a person authorised by a licence to transmit or to distribute and



supply electricity, means, the area designated in the licence;

“bulk sales” in relation to the sale of electricity means, the sale of electricity in bulk by National System Operator to distribution licensees, and to traders and customers who are connected to the transmission network, as may be identified in the relevant licence;

“bulk supply account” means, the account maintained by the National System Operator to record the bulk sales of electricity and purchase of electricity from generation licensees;

“captive generating plant” means, a power plant set up by any person to generate electricity primarily for such person’s own use;

“Ceylon Electricity Board” means, the Ceylon Electricity Board established by the Ceylon Electricity Board Act, No. 17 of 1969;

“connect” in relation to any premises means, to connect a consumer to the distribution line of the distribution licensee, and the expression “connection” shall be construed accordingly;

“consumer” means, any person who is supplied with electricity for personal use by a licensee or the Government of Sri Lanka or by any other

person engaged in the business of supplying electricity to the public and includes any person whose premises are for the time being connected for the purpose of receiving electricity and includes any prospective consumer;

“dedicated transmission line” means, any electricity supply line or point to point connection which is required for the purpose of connecting electricity lines or electricity plants of a captive generating plant or generating station, to any transmission line or substation, as the case may be;

“dispatch” means, the informing the power plant operators of the power output to be produced by each power plant by the National System Operator;

“distribute” in relation to electricity means, a system which consists of low voltage lines and electrical plant and is used for conveying electricity to any premises or to any other distribution system and the expressions “distribution” and “distribution system” shall be construed accordingly;

“distribution line” in relation to a distribution licensee, means, any distribution line in the authorised area of the distribution licensee which is being used for the purpose of supplying electricity to any premises;

“distribution tariff” means, the tariff set by the Regulator for recovering the reasonable cost

of maintaining and operating the distribution network including the consumer services under subsection (6) of section 29;

“distribution voltage” means, any voltage not exceeding 33 kilovolt or such voltage as determined by the Regulator;

“electrical plant” means, any plant, equipment, or appliance used for or in connection with the generation, transmission, distribution or supply of electricity, and does not include any electricity line or any meter used for ascertaining the quantity of electricity supplied to any premises or any electrical appliance under the control of a consumer;

“electrical power system” means, the combination of electrical generators (*i.e.*, power plants), transmission and distribution lines, equipment, circuits, and transformers used to generate and transport electricity from the generator to the consumption areas or to adjacent electrical power systems;

“electricity line” means, any line whether used for carrying electricity for any purpose which is laid underground or on the surface, and includes any equipment used as support for any such line, including, but not limited to, any structure, pole or other thing in, on, by or from which any such line is supported, carried or suspended; any apparatus connected to any such line for the purpose of carrying electricity; and any wire, cable, tube, pipe other similar thing (including its casing,

insulator or coating) which surrounds or supports or is installed in close proximity to any such line;

“electricity trading” means, the purchase of electricity for resale and the expression “trade” shall be construed accordingly;

“Electricity Supply Code” means, a Code of prescribed standards to be complied with by all distribution licensees;

“embedded generator” means, a generation plant that is connected to the distribution network;

“enforcement order” means an Order made in terms of subsection (4) of section 22 of this Act;

“feed in tariff” means, the power purchase tariff from the embedded generators;

“generating station” means, any facility for generating electricity, including the site where such generating station is installed, and any building, plant, transformer, switchgear, switch yard, cables or other appurtenant equipment, if any, used for the aforesaid purpose, and any building used for housing the operating staff of a generating station, and where electricity is generated by hydro power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not include any substation;

“generator” means, a generation licensee or a person exempted from the requirement of obtaining a generation licence;

“grid” means, a high voltage backbone system of interconnected transmission lines, substations and generating plants;

“grid code” means, the operating procedures and standards for planning of power system, scheduling of generators, interconnection of generators, transmission equipment and consumers to the national grid, operation of the power system and the national grid and the metering of power transfers;

“high voltage line” means, an electricity line or cable of a nominal voltage exceeding 33 kilovolt, or of such nominal voltage as may be specified by the Regulator, from time to time;

“indigenous energy resources” means, any form of energy resource available in Sri Lanka such as domestically produced fossil fuel energy, energy produced from renewable energy and includes any other derivatives thereof but does not include any imported fossil fuel based energy products;

“interest” means, any financial or other interest directly or indirectly, in any company or undertaking carrying on any of the following activities :-

- (a) the generation, transmission, distribution, or supply of electricity;
- (b) the manufacture, production, sale or supply of fuel for the generation of electricity;

- (c) the import, manufacture, sale, lease, hire or other supply of or, dealing in, machinery, plant, equipment, apparatus or fittings for generation, transmission, distribution, supply or use of electricity; or
- (d) the provision of legal, accountancy or banking services to any company or undertaking;

“Lanka Electricity Company (Private) Ltd.” means, the Lanka Electricity Company (Private) Limited registered under the Companies Act, No. 07 of 2007;

“licence” means, a licence issued in terms of section 21 of this Act, and the term “licensee” means, any person to whom a licence in terms of this Act has been issued for engaging in the activities connected to the generation, transmission, distribution, supply, trade or procurement of electricity;

“line” means, any wire, cable, pipe, conductor or other similar thing (including its casing or coating) which is designed or adapted for use in carrying electricity;

“local authority” means, a Municipal Council, Urban Council or a Pradeshiya Sabha, and includes any authority created and established by or under any law to exercise, perform and discharge, powers, duties and functions corresponding to or similar to, the powers, duties and functions exercised, performed and discharged by any such Municipal Council, Urban Council or a Pradeshiya Sabha;

“Minister” means, the Minister assigned the subject of electricity in terms of Article 44 or 45 of the Constitution;

“National Grid” means, the transmission network consisting of transmission assets and grid substations owned by the National Transmission Network Service Provider and additional transmission licensees;

“National System Operator” means, the person or body of persons to whom a licence has been issued in terms of section 10 of this Act;

“National Transmission Network Service Provider” means, the person or body of persons to whom the licence to operate the National Transmission Network has been granted;

“open access” means, the non-discriminatory provision for the use of transmission network or distribution lines or associated facilities for supplying electricity to consumers eligible to purchase electricity directly from generation licensees under this Act, in accordance with directions issued by the Regulator. It permits third party suppliers to provide electricity to access the transmission and distribution network on the same conditions as the network owner or any other user, upon payment of a open access charges;

“open access charges” means, the charges set by the Regulator and levied by the transmission and distribution licensees for providing open access to consumers eligible for open access;

“power purchase agreement” means, the agreement between the National System Operator, distribution licensees or a consumer and a generation licensee governing the sale of electricity by the generation licensee;

“power system” means, all aspects of generation, transmission, distribution and supply of electricity and includes one or more of the following, namely:-

- (a) generating stations;
- (b) transmission lines;
- (c) substations;
- (d) tie-lines;
- (e) load dispatch activities;
- (f) distribution mains;
- (g) electricity supply lines;
- (h) overhead lines;
- (i) service lines; and
- (j) works;

“power sales agreement” means, the agreement between the distribution licensees and the National System Operator governing the bulk sale of electricity to the distribution licensees by the National System Operator;

“premises” means, any land, building or structure;

“prescribed” means, prescribed by regulations made under this Act;

“public private partnership” means, the entering into a long term agreement with an investor for the provision of electricity, energy storage,



ancillary services or transmission services where the capital investments will be substantially borne by the investor;

“regional market” means, the electricity market that is in operation outside the territory of Sri Lanka within the South Asian Region;

“regional transmission network” means, the transmission network by the regional markets;

“standardized power purchase agreement” means, a power purchase agreement on pre-defined terms and conditions where the technology, specific power purchase tariff and other contractual terms for renewable energy based power plants having a maximum capacity of 10MW;

“successor companies” means, the companies incorporated under section 17 of the Act to take over the roles and responsibilities of the Ceylon Electricity Board;

“supply” in relation to electricity means, the delivery of electricity through the distribution system to end users;

“supply tariff” means, the component of end user tariff set by the Regulator to cover the cost of bulk purchase tariff and transmission tariff paid by the distribution licensees;

“System Control Centre” means, the Centre established under section 10 of this Act for

carrying out real time operation of the National Grid;

“transmission interconnection” means, the equipment and facilities required for a safe and reliable interconnection of an electrical plant to the National Grid;

“transmission network” means, all high voltage cables and overhead lines (not being an essential part of the distribution system of a licensee) used for conveying electricity from a generation station to a grid substation, from one generation station to another or from one grid substation to another, together with any transformers, switchgear and other works and equipment necessary to and used for the control and protection of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switchgear and other works and equipment;

“transmission service agreement” means, the agreement between the National Transmission Network Service Provider and the National System Operator governing the use of the National grid for transmitting electricity from generation licensees to distribution licensees and consumers;

“transmission tariff” means, the tariff charged by the transmission licensees for the use of transmission network from the National System Operator;

“transmission voltage” means, any voltage above 33 kilovolt or such other voltage as determined by the Regulator to be the voltage or voltages at which the transmission system operates;

“transmit” in relation to electricity, means, the transportation of electricity by means of a transmission system, which consists of high voltage lines and electricity plant and is used for conveying electricity from a generating station to a grid substation, from one generating station to another or from one grid substation to another, and the expressions “transmission” and “transmission system” shall be construed accordingly;

“utility” means, the electricity lines or electricity plant, including all lands, buildings, works and materials attached thereto belonging to any person acting as a licensee under the provisions of this Act and an “electric utility” means any plant, works, system, facilities or properties, together with all parts and appurtenances thereto, including contract and franchise rights used and useful primarily for the production, transmission or distribution of electric energy;

“Wholesale Electricity Market” means, a market where multiple electricity suppliers compete with each other to provide electricity to consumers at the most beneficial cost; and

“works” includes electricity line, and any building, plant, machinery, apparatus and any other thing of whatever description required to transmit, distribute or supply electricity to the public and to carry into effect the objects of a licence or sanction granted under this Act.

Sinhala text to prevail in case of inconsistency

**53.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

#### SCHEDULE I

[Section 17]

#### **STRUCTURE OF THE ELECTRICITY INDUSTRY**

The activities relating to the hydro-electric generation, thermal electricity generation, and renewable energy generation as set out below, which are presently vested with the Ceylon Electricity Board, shall on the appointed date be re-structured and vest in the corporate entities which will be incorporated under the Companies Act, No.07 of 2007 for the purposes of the implementation of this Act, substantially in the manner set out below:-

- (a) one company of which one hundred *per centum* of the shares are held by the Secretary to the Treasury to take over the hydropower generation assets of the Ceylon Electricity Board;
- (b) one company to take over the Coal power Plant owned and operated by the Ceylon Electricity Board as well as Lanka Coal Company;
- (c) one company to take over the thermal generation assets of the Ceylon Electricity Board;
- (d) one company to take over the Wind Power Plant owned, possessed and operated by the Ceylon Electricity Board.;
- (e) one company of which the Secretary to the Treasury holds more than fifty *per centum* of the shares to take over the functions of the Ceylon Electricity Board relating to the development, maintenance and operation of the physical infrastructure that makes up the National Grid of Sri Lanka;
- (f) one company of which the Secretary to the Treasury holds one hundred *per centum* of the shares to take over the functions of the Ceylon Electricity Board relating to generation scheduling, commitment and economic dispatch of generating plants and functions relating to the planning of future electricity and transmission capacity;
- (g) separate companies to take over the distribution functions of the distribution divisions of the Ceylon Electricity Board; and
- (h) such number of companies as shall be required for managing the residual functions of the Ceylon Electricity Board. Such residual companies shall be incorporated to

undertake among other matters which may not be allocated to any successor company, the following residual functions:-

- (i) one company to take over functions of the Ceylon Electricity Board other than those functions and activities entrusted to the companies incorporated;
- (ii) one company to take over the functions of the Provident Fund and Pension Fund of the Ceylon Electricity Board and to act as the custodian and trustee and manage of such provident fund and pension fund, provided that, the entire share holdings of the company shall always remain with the Secretary to the Treasury.

#### SCHEDULE II

[section 21(7)(c)]

#### **OTHER POWERS OF LICENSEES**

1. (1) Subject to the following provisions of this paragraph, a licensee may, for any purpose connected with the carrying on of the activities which it is authorised by its licence to carry on, execute in its authorised area, any of the following works: -

- (a) installing under, over, in, on, along or across any street-
  - (i) any electricity lines or electrical plant; and
  - (ii) any structures for housing or covering any such lines or plant, and from time to time, inspect, maintain, adjust, repair, alter, replace or remove any such plant or lines; and

(b) any works requisite for or incidental to the purposes of any works referred to in subparagraph (a), including for the following purposes:-

(i) opening or breaking up any street or any sewers, drains or tunnels within or under any street;

(ii) tunneling or boring under any street; and

(iii) removing or using all earth and materials in or under any street:

Provided that, nothing in this subparagraph shall empower a licensee to lay down or place any electricity line or electrical plant into, through or against any building, or in any land not dedicated to the public use.

(2) The power conferred on a licensee under paragraph (1) to place on or over a street any structure for housing any line or plant shall be exercisable only with the consent of the local authority or other relevant authority.

(3) Except in cases of emergency arising from faults in any electricity lines or electrical plant, a street which does not come within the authority of local authority or other relevant authority shall not be opened or broken up in the exercise of the powers conferred by paragraph (1) except with the consent of the Regulator.

(4) Notwithstanding anything in paragraph (7), licensee may, with the consent of the Regulator construct lines, which are temporary, and not in compliance with the prescribed standards.

(5) The Regulator shall not consider an application for its consent under paragraph (3) unless the licensee has served notice of the application on any person whose consent would otherwise be required.

(6) A licensee shall do as little damage as possible in the exercise of the powers conferred by paragraph (1) and shall make compensation for any damage done in the exercise of those powers.

(7) A licensee shall exercise the powers conferred by paragraph (1) in such manner as will secure that nothing which it installs or keeps installed under, over, in, on, along or across any street becomes a source of danger to the public and shall-

- (a) immediately cause the part broken up or opened to be fenced and guarded;
- (b) while such part remains broken up or open, cause a light sufficient for warning passers by, to be set up at sunset and maintained until sunrise against or near such part; and
- (c) with all reasonable speed fill in the ground and reinstate and make good the soil or pavement or the sewer, drain or tunnel broken up or opened, and shall keep it in good repair for three months and, where any subsidence occurs, for any further period, not exceeding six months, during which the subsidence continues.

(8) A licensee who fails to comply with the provisions of paragraph (7) commits of an offence under this Act and shall on conviction after summary trial before a Magistrate, be liable to a fine not less than five thousand rupees and not exceeding twenty five thousand rupees.

2. (1) A licensee may execute works in the exercise of the powers conferred by item 1, notwithstanding that they involve a temporary or permanent alteration of any of the following:-



- (a) any electricity line or electrical plant under the control of another licensee;
- (b) any pipe, including any pipe used for the conveyance of gas, which (whether or not it is in a street) which is under the control of a gas undertaker, a water undertaker, a sewerage undertaker or a person supplying water in the exercise of statutory powers;
- (c) any telecommunication apparatus used for the purposes of a telecommunication system which is operated by a person licensed under the Sri Lanka Telecommunications Act, No. 25 of 1991;
- (d) any telecommunication apparatus used for the purposes of a telegraphic system which is operated by the General Manager of the railway; or
- (e) any telecommunication apparatus used for the purposes of a cable television system to which the Sri Lanka Rupavahini Corporation Act, No. 6 of 1982 applies.

(2) Where a licensee is proposing to execute works in the exercise of the powers conferred by item 1 which involve or are likely to involve any such alteration as is referred to in subparagraphs (a), (b), (c), (d) or (e) of paragraph (1) the succeeding provisions of this paragraph shall apply and a reference in those provisions to “relevant undertaker” shall be deemed to be a reference to an undertaker referred to in subparagraphs (a), (b), (c), (d) or (e) of paragraph (1).

(3) A member of the public may request the relevant licensee to carry out alterations in respect of any electric line or electrical plant notwithstanding that such works may fall within subparagraph (a) of paragraph (1).

(4) Subject to the provisions of paragraph (5), a licensee shall, not less than one month prior to the commencement of the works, give the relevant undertaker a notice specifying the nature of the works proposed to be executed by the licensee, the alteration or likely alteration involved, and the time and place at which the execution of the works will be commenced.

(5) The provisions of paragraph (4) shall not apply in relation to any emergency works of which the licensee gives the relevant undertaker notice as soon as practicable after commencing the execution of the works.

(6) Where a notice has been given under paragraph (4) by the licensee to the relevant undertaker, the undertaker may, within the period of seven days of the date of the notice, give the licensee a counter notice which may state either-

- (a) that the undertaker intends himself or herself to make any alteration made necessary or expedient by the works proposed to be executed by the licensee; or
- (b) that the undertaker requires the licensee to make any such alteration under the supervision, and to the satisfaction of the undertaker.

(7) Where a counter notice given under paragraph (6) states that the relevant undertaker intends himself or herself to make any alteration –

- (a) the undertaker shall have the right, instead of the licensee, to execute any works for the purpose of making that alteration; and

- (b) any reasonable expenses incurred by the undertaker in or in connection with the execution of those works and the amount of any loss or damage sustained by the undertaker in consequence of the alteration shall be recoverable by the undertaker from the licensee.

(8) Where a counter notice given under paragraph (6) states that any alteration is to be made under the supervision, and to the satisfaction of, the relevant undertaker-

- (a) the licensee shall not make the alteration except in compliance with the requirements of the counter notice; and
- (b) any reasonable expenses incurred by the undertaker in or in connection with the provision of that supervision and the amount of any loss or damage sustained by the undertaker in consequence of the alteration shall be recoverable by the undertaker from the licensee in any court of competent jurisdiction.

(9) Where-

- (a) no counter notice is given under paragraph (6); or
- (b) the relevant undertaker, having given a counter notice under that paragraph fails to make any alteration made necessary or expedient by the works proposed to be executed by the licensee, within any such period (being not less than forty eight hours) as the licensee may by notice specify or, as the case may be, unreasonably fails to provide the required supervision,

the licensee may execute works for the purpose of making the alteration or, as the case may be, may execute such works without the supervision of the undertaker; but in either case the licensee shall execute the works to the satisfaction of the undertaker.

(10) Licensee or any agent of such licensee who-

- (a) executes any works without giving the notice required by paragraph (4); or
- (b) unreasonably fails to comply with any reasonable requirement given by a relevant undertaker under this paragraph,

commits an offence under this Act and shall on conviction after a summary trial before a Magistrate be liable to a fine not less than five thousand rupees and not exceeding twenty five thousand rupees.

3. (1) This item applies where-

- (a) for any purpose connected with the carrying on of the activities which a licensee is authorised by its licence to carry on, it is necessary or expedient for a licensee to install and keep installed an electricity line on, under or over any land; and
- (b) the owner or occupier of the land, having been given a notice by the licensee requiring such owner or occupier to give the necessary wayleave within a period (not being less than twenty one days) specified in the notice-
  - (i) has failed to give the wayleave before the end of that period; or
  - (ii) has given the wayleave subject to terms and conditions which are not acceptable to the licensee.

(2) This item also applies where-

- (a) for any purpose connected with the carrying on of the activities which the licensee is authorised by its licence to

carry on, it is necessary or expedient for a licensee to keep an electricity line installed on, under or over any land; and

(b) the owner or occupier of the land has given notice to the licensee under paragraph 5(2) requiring it to remove the electricity line.

(3) Where paragraph (1) or (2) applies and the Regulator is satisfied that -

(a) the licensee has made all reasonable efforts to secure the grant of a wayleave;

(b) those efforts have been unsuccessful; and

(c) the acquisition of that wayleave is necessary for the carrying on of the activities authorised by the licence of the licensee,

the Regulator, shall, within six weeks of an application made by the licensee, recommend to the Minister, the acquisition of the wayleave. Where the Minister approves the proposed acquisition, by Order published in the *Gazette*, the wayleave shall be deemed to be required for a public purpose and may be acquired under the Land Acquisition Act (Chapter 295) and transferred to the licensee.

(4) The Regulator shall not recommend the acquisition of a wayleave under paragraph (3) in any case where-

(a) the land is covered by an authorised dwelling, or planning permission has been granted under the relevant laws for the construction of a dwelling on that land; and

(b) the line is to be installed on or over that land.

(5) Before making a recommendation under paragraph (3), the Regulator shall give-

- (a) the occupier of the land; and
- (b) where the occupier is not also the owner of the land, the owner,

an opportunity of being heard by a person appointed by the Regulator.

(6) Where a wayleave is acquired under the Land Acquisition Act (Chapter 295) and transferred to a licensee, the wayleave -

- (a) shall not be subject to the provisions of any enactment requiring the registration of interests in or, charges over, or other obligations affecting land;
- (b) shall bind any person who is at any time the owner or occupier of the land.

4. (1) Where a wayleave is granted to a licensee under item 3-

- (a) the occupier of the land; or
- (b) where the occupier is not also the owner of the land, the owner of the land,

may recover from the licensee reasonable compensation in respect of the grant as may be determined by the Regulator.

(2) Where in the exercise of any right conferred by such a wayleave any damage is caused to land or to movables, any person interested in the land or the movables may recover from the licensee reasonable compensation in respect of that damage; and where in consequence of the exercise of such right a person is disturbed in the enjoyment of

any land or movables such person may recover from the licensee compensation in respect of that disturbance of such amount as may be determined by the Regulator.

(3) The Regulator may on its own motion or on the application of a person affected, conduct such inquiries as may be necessary to determine whether a licensee is liable to pay any person any compensation under paragraphs (1) and (2).

(4) The Regulator shall communicate any decision under paragraph (3) to the licensee and to any person who has applied for, or was awarded, compensation.

(5) A person who is aggrieved by the decision of the Regulator that no compensation is payable under paragraph (1) or (2) or who is dissatisfied with the amount of compensation determined to be payable by the Regulator, may institute, in a court of competent jurisdiction, an action against the licensee from whom the compensation is claimed for the recovery of the compensation claimed by that person or the difference between the amount of the compensation claimed by that person and the amount of the compensation determined to be payable to that person by the Regulator.

(6) An action by any person under paragraph (5) shall be instituted within two months of the date on which-

(a) that person receives a communication sent by the Regulator under paragraph (4);

(b) the amount of compensation determined by the Regulator is paid to that person under paragraph (7); or

- (c) the notice of the payment of that amount into the court is given, or is exhibited for the first time under paragraph (7).

(7) A licensee who is liable to pay to the owner of that land an amount of compensation under paragraph (1) or (2) shall pay that amount to that person within such period as may be determined by the Regulator. Where that owner is unknown or where the ownership of that land is subject to dispute, the licensee shall-

- (a) pay that amount into the district court having jurisdiction over the place where that land is situated, within such period as may be determined by the Regulator to be drawn from that court by that person upon proof of title; and
- (b) give the occupier of that land written notice of the payment of that amount into the court, within such period as is determined by the Regulator or, if there is no occupier, exhibit that notice in some conspicuous position on that land.

**5.** (1) This paragraph applies where at any time such a wayleave as is mentioned in item 3 (whether granted under that item or by agreement between the parties)-

- (a) is determined by the expiration of a period specified in the wayleave;
- (b) is terminated by the owner or occupier of the land in accordance with a term contained in the wayleave; or



- (c) by reason of a change in the ownership or occupation of the land after the granting of the wayleave, ceases to be binding on the owner or occupier of the land.

(2) The owner or occupier of the land may in a case falling within paragraph (1)-

- (a) at any time after or within three months before the end of the period specified in the wayleave;
- (b) at any time after the wayleave has been terminated by such owner or occupier of the land; or
- (c) at any time after becoming the owner or occupier of the land by virtue of such a change in the ownership or occupation of the land as is referred to in that paragraph,

give to the licensee a notice requiring the licensee to remove the electricity line from the land. However, the licensee shall not be obliged to comply with such a notice except in the circumstances and to the extent provided by the following provisions of this paragraph.

(3) Where within the period of three months beginning from the date of the notice under paragraph (2) the licensee-

- (a) fails to make an application for the grant of the necessary wayleave under item 3;
- (b) makes an application for the grant of the necessary wayleave under item 3 and that application is refused by the Regulator;
- (c) fails to obtain an order authorising the compulsory purchase of the land under item 7 of this Schedule,

the licensee shall comply with the notice at the end of that period, or in the case of subparagraph (b), at the end of the period of one month beginning from the date of the Regulator's decision or such longer period as the Regulator may specify.

(4) In this schedule "wayleave" in relation to a land means such interest in the land as consists of a right of a licensee, to install and keep installed, an electricity line on, under, or over, that land and to have access to that land for the purpose of inspecting, maintaining, adjusting, repairing, altering, removing or replacing such electricity line.

6. (1) This item applies where any tree is or will be in such close proximity to an electricity line or electrical plant which has been installed or is being or is to be installed by a licensee as-

(a) to obstruct or interfere with the installation, maintenance or working of the line or plant; or

(b) to constitute an unacceptable source of danger (whether to children or to other persons),

and in this item the "land" means the land on which the tree is growing.

(2) The licensee may give notice to the occupier of the land requiring such occupier to fell or lop the tree or cut back its roots so as to prevent it from having the effect mentioned in subparagraph (a) or (b) of paragraph (1), subject to the payment to such occupier by the licensee of the expenses reasonably incurred by such occupier in complying with the requirements of the notice.

(3) Where the occupier is not also the owner of the land, a copy of any notice under paragraph (2) shall also be served on the owner.

(4) If within twenty one days from the giving of a notice under paragraph (2)-

- (a) the requirements of the notice are not complied with;  
and
- (b) neither the owner nor occupier of the land gives a counter notice under paragraph (5),

the licensee may cause the tree to be felled or lopped or its roots to be cut back so as to prevent it from having the effect mentioned in subparagraph (a) or (b) of paragraph (1).

(5) If, within twenty one days from the giving of a notice under paragraph (2), the owner or occupier of the land gives a counter notice to the licensee objecting to the requirements of the notice, the matter shall, be referred to the Regulator.

(6) On a reference to it under paragraph (5), the Regulator may after giving the parties an opportunity of being heard by a person appointed by it, may make such order as it thinks just, in the circumstances and any such order-

- (a) may allow the licensee (after giving such notice to any person by whom a counter notice was given of the commencement of the work as the order may direct) to cause the tree to be felled or lopped or its roots to be cut back so as to prevent it from having the effect mentioned in subparagraph (a) or (b) of paragraph (1); and
- (b) may determine any question as to what expenses (if any) are to be paid to the licensee by the owner or occupier.

(7) Where the licensee acts in pursuance of paragraph (4) or an order made under paragraph (6), the licensee shall-

- (a) cause the tree to be felled or lopped or their roots to be cut back in accordance with good arboricultural practice

and so as to do as little damage as possible to trees, fences, hedges and growing crops;

(b) cause the felled trees, lopped boughs or root cuttings to be removed in accordance with the directions of the owner or occupier; and

(c) make good any damage done to the land.

(8) In this item, “tree” includes any shrub, and references to “felling” and “lopping” shall be construed accordingly.

7. (1) Where the Regulator is satisfied that any immovable property is required for the purposes of carrying on the activities which a licensee is authorised to carry on by its licence, or for the purposes of discharging any function assigned to such licensee by this Act and that-

(a) the licensee has made all reasonable efforts to negotiate the acquisition of such property with the owner of the property; and

(b) those efforts have been unsuccessful,

the Regulator may recommend to the Minister that the immovable property be acquired under the Land Acquisition Act (Chapter 295) and transferred to the licensee.

(2) Where the Minister, by Order published in the *Gazette*, approves the proposed acquisition of the immovable property specified in the recommendation of the Regulator made under paragraph (1), such immovable property shall be deemed to be required for a public purpose and may accordingly be acquired under the Land Acquisition Act (Chapter 295) and transferred to the licensee.

(3) Any sum payable for the acquisition of any immovable property under the Land Acquisition Act (Chapter 295) for a licensee shall be payable by that licensee.

(4) The Regulator shall not recommend the acquisition of any immovable property under paragraph (1) if such immovable property is being used by another licensee, to whom it belongs for the purpose of an installation necessary for carrying on of the activities which the licensee is authorised by its licence to carry on or is proposed to be used, within a period of five years, by such other licensee for the purposes of such an installation.

#### SCHEDULE III

[section 21(7)(d)]

#### **ELECTRICITY SUPPLY CODE**

1. (1) Subject to paragraph (2), a distribution licensee may recover from a tariff customer any charges due to the licensee in respect of the supply of electricity, or in respect of the provision of any electricity meter, electricity line or electrical plant.

(2) If a tariff customer quits any premises at which electricity has been supplied to such tariff customer by a distribution licensee, without giving at least two working days' prior notice to the licensee, such tariff customer shall be liable to pay the licensee, in respect of the supply of electricity to the premises, all accrued charges due up to the earlier of-

- (a) the second working day after such tariff customer gives such notice to the licensee provided that reasonable access to the premises has been granted;
- (b) the next day on which the register of any meter is ascertained; and

- (c) the day from which any subsequent occupier of the premises requires the supplier to supply electricity to the premises.

(3) The provisions of paragraph (2) or a statement setting out those provisions shall be endorsed upon every demand note for electricity charges payable to a distribution licensee by a tariff customer.

(4) If a tariff customer quits any premises at which electricity has been supplied to such tariff customer by a distribution licensee, without paying all charges due from such tariff customer in respect of that supply, or the provision of any electricity meter, electricity line or electrical plant for the purposes of the supply, the licensee-

- (a) may refuse to furnish such tariff customer with a supply of electricity at any other premises until such tariff customer pays the charges due;
- (b) shall not be entitled to require payment of that charge from the next occupier of the premises.

(5) If a tariff customer-

- (a) has not, within the requisite period, paid all charges due to a distribution licensee in respect of the supply of electricity to any premises, or the provision of any electricity meter, electricity line or electrical plant for the purposes of that supply; or
- (b) has failed to comply with a notice from the licensee requiring such tariff customer to cease using any appliance which unduly or improperly interferes with the supply of electricity by the licensee to any other consumer,

the distribution licensee may, at the end of the requisite period cut off the supply to the premises, or to any other premises occupied by the customer, by such means as the licensee thinks fit and recover any expenses incurred in so doing from the customer.

(6) In paragraph (5) the “requisite period” means-

(a) in the case of premises which are used wholly or mainly for domestic purposes, a period of not less than ten days after either the making by the distribution licensee of a demand in writing for the payment of the charges due or a notice by the distribution licensee requiring the tariff customer to cease to use the appliances which interfere with electricity supplied to another customer; and

(b) in the case of any other premises, a period of ten days after the making of such a demand.

(7) A distribution licensee shall not exercise the powers conferred on the licensee by paragraph (5), if there is a genuine dispute regarding the amount of the charges due.

(8) In this item a reference to the provision of any electricity line or item of electrical plant shall include a reference to the provision of such a line or item by the installation of a new one or by the modification of an existing one.

2. (1) Where a distribution licensee has cut off the supply of electricity to any premises in consequence of any default by a tariff customer, the licensee shall be under an obligation to resume the supply of electricity within two working days of the requirements of paragraph (2) being fulfilled.

(2) The requirements of this paragraph are that the customer in default-

(a) has made good the default;

(b) has paid the reasonable expenses of disconnecting and reconnecting the supply; and

(c) has given such security as is mentioned in section 27 of this Act.

(3) The obligation imposed by paragraph (1) on a distribution licensee shall be a duty owed by the licensee to any person who may be affected by a failure to comply with the obligation.

(4) Where a duty is owed by a licensee to any person by virtue of paragraph (3), any breach of that duty which causes any loss or damage to that person shall be actionable at the suit or instance of that person.

(5) In any proceedings brought against a distribution licensee in pursuance of paragraph (4), it shall be a defence for the distribution licensee to prove that the licensee took all reasonable steps and exercised all due diligence to avoid failing to comply with the obligation imposed on the licensee by paragraph (1).

(6) Without prejudice to any right which any person may have by virtue of paragraph (4) to bring civil proceedings against a distribution licensee in respect of any failure to comply with the obligation imposed on the licensee by paragraph (1), compliance with that obligation may be enforced by the Regulator against the licensee by the institution of appropriate proceedings in a court of civil jurisdiction.

**3.** (1) Where a supply of electricity to any premises has been cut off by a distribution licensee no person other than such licensee shall restore such supply.

(2) If any person acts in contravention of paragraph (1), such person commits an offence under this Act and shall on conviction after a summary trial before a Magistrate be liable to a fine not



exceeding twenty five thousand rupees and the distribution licensee may cut off the supply.

4. (1) If any person intentionally or negligently damages or causes to be damaged –

(a) any electrical plant or electricity line belonging to or operated by-

- (i) a distribution licensee;
- (ii) a generation licensee; or
- (iii) a transmission licensee; or

(b) any part of any domestic electricity supply equipment belonging to or operated by a distribution licensee that is situated on his or her property,

such person commits an offence under this Act and shall on conviction after a summary trial before a Magistrate be liable to a fine not less than five thousand rupees and not exceeding fifty thousand rupees.

(2) In this item, “domestic electricity supply equipment” includes all lines and plants up to, and including, the meter situated in a consumer’s property.

(3) Where an offence has been committed under subparagraph (a) of paragraph (1), in respect of the electricity line or electrical plant of a distribution licensee, the distribution licensee may discontinue the supply of electricity to the person so offending until the matter has been remedied.

(4) Where an offence has been committed under subparagraph (b) of paragraph (1), in respect of any domestic electricity supply equipment, the distribution licensee-

(a) may discontinue the supply of electricity to the person so offending until the matter has been remedied; and

(b) may remove the meter in respect of which the offence was committed.

(5) Where a distribution licensee removes a meter in the exercise of powers under paragraph (4), the licensee shall keep it safely until the Regulator authorizes the licensee to destroy it or otherwise dispose of it.

5. (1) Subject to the provisions of item 8, any officer authorised by a distribution licensee may enter any premises to which a supply of electricity is being given by the distribution licensee through the electricity lines and electrical plant belonging to, or operated by, the distribution licensee for any of the following purposes, namely-

(a) inspecting any electricity line or electrical plant belonging to or operated by the distribution licensee;

(b) ascertaining the register of any electricity meter and, in the case of a prepayment meter, removing any money or tokens belonging to or operated by the distribution licensee;

(c) removing, inspecting or reinstalling any electricity meter or installing any substitute meter or associated equipment.

(2) The powers conferred by subparagraphs (a) and (b) of paragraph (1) shall not be exercised in respect of a premises if-

(a) the consumer has applied in writing to the distribution licensee for the licensee to cease to supply electricity to the premises; and

(b) the licensee has failed to do so within a reasonable time.

6. (1) Where a distribution licensee is authorised by paragraph (3) or (4) of item 4 of this Schedule-

- (a) to discontinue the supply of electricity to any premises;  
or
- (b) to remove the electricity meter in respect of which the offence under that paragraph was committed,

any officer authorised by the distribution licensee may, subject to item 8, enter the premises for the purpose of disconnecting the supply or removing the meter or any associated electrical plant used for, or for purposes connected with, the distribution or supply of electricity.

(2) Where-

- (a) a distribution licensee is authorised by any other provision of this Act or of regulations made under it to cut off or discontinue the supply of electricity to any premises;
- (b) a person occupying any premises supplied with electricity by a distribution licensee ceases to require such supply;
- (c) a person entering into occupation of any premises previously supplied with electricity by a distribution licensee does not require such supply; or
- (d) a person entering into occupation of any premises previously supplied with electricity through a meter belonging to or operated by a distribution licensee does not hire or borrow that meter,

any officer authorised by the distribution licensee may, subject to item 8, enter the premises for the purpose of disconnecting the supply or removing any electrical plant, electricity line or electricity meter.

7. (1) Any officer authorised by a distribution licensee, a generation licensee or a transmission licensee, as the case may be, may, subject to item 8, enter any premises for the purpose of-

(a) placing a new electricity line or new electrical plant in place of, or in addition to, any existing line or plant which has already been lawfully placed; or

(b) repairing or altering any such existing line or plant.

(2) In the case of emergency arising from faults in any electricity line or electrical plant, entry may be made under paragraph (1) without the notice required to be given by item 8, but the notice shall then be given as early as possible.

8. (1) An electrical inspector or a licensee (or officer of a licensee) authorised to enter upon any land or premises under this Act shall not demand to do so as of right unless-

(a) three days notice of the intended entry has been given by the electrical inspector or the licensee or officer of the licensee stating as fully and accurately as possible the nature and extent of the acts intended to be done;

(b) if required to do so, such electrical inspector or licensee has produced evidence of the authority of such electrical inspector or licensee;

(c) reasonable compensation is paid to the owner of the land or premises for any disturbance, disability or damage that may be caused pursuant to the entry.

(2) Any notice referred to in subparagraph (a) of paragraph (1) shall-

(a) where the land is occupied, be given to the occupier;

- (b) where the land is not occupied, be given to the owner if the name and address of such owner are known or can with reasonable diligence be ascertained;
- (c) where the land is not occupied and the name and address of the owner cannot with reasonable diligence be ascertained, be exhibited in some conspicuous position on the land; and
- (d) where the land is used or reserved for any public purpose, be given to the officer or other person in charge of the execution of that purpose.

(3) The electrical inspector or the licensee or person authorized by the licensee in writing in that behalf shall be entitled to enter the land, for the purpose of giving a notice referred to in subparagraph (a) of paragraph (1).

(4) Where any person exercises any powers conferred by this item, the licensee by whom he or she was authorised in writing shall make good any damage done to the land as a result of such entry.

(5) Where in the exercise of any power conferred by or under this Act any damage is caused to any land or to any moveable property, any person interested in the land or moveable property may recover compensation in respect of that damage from the licensee on whose behalf the power is exercised; and where in consequence of the exercise of such power a person is disturbed in the enjoyment of any land or moveable property such person may recover from that licensee reasonable compensation in respect of that disturbance as determined by the Regulator.

**9.** (1) If, in an attempt to exercise any of the powers of entry conferred by this Schedule, the distribution licensee has made all reasonable efforts, otherwise than by the use of force, to obtain entry to the premises; and those efforts have been unsuccessful, it may

apply, *ex parte*, to the Magistrate's Court having jurisdiction over the place where the premises are situated for an order authorizing the licensee or an officer authorized by the licensee to enter the premises by force.

(2) An order granted under paragraph (1) shall specify the action, which may be taken by the licensee, or an officer authorised by the licensee to effect the entry by force and may stipulate the conditions to be observed by the licensee or such officer after such entry.

(3) The licensee or an officer authorised by the licensee shall incur no liability to any person in respect of the entry by force to the premises:

Provided that, such licensee or officer shall -

- (a) take no action to effect entry other than such action as is specified in the order;
- (b) observe any condition stipulated by the order; and
- (c) do as little damage as is reasonably practicable in taking the specified action and in observing any stipulated condition.

(4) No appeal shall lie from a decision of the Magistrate's Court-

- (a) to grant or not to grant an order under paragraph (1);  
or
- (b) regarding the terms of, or the conditions stipulated in, any such order.

(5) Any costs incurred by the licensee in obtaining and executing an order under paragraph (1) shall be recoverable as a civil debt from the owner or the occupier of the premises to which the order relates.

**10.** (1) Where in pursuance of any powers of entry conferred by this Schedule, entry is made on any premises by an officer authorized by a distribution licensee-

(a) the officer shall ensure that the premises are left no less secure by reason of the entry; and

(b) the distribution licensee shall make good, or pay compensation for, any damage caused by the officer, or by any person accompanying him or her in entering the premises, or in taking any action authorised by this Schedule, or in making the premises secure.

(2) Any officer exercising powers of entry conferred by this Schedule may be accompanied by such persons as may be necessary or expedient for the purpose for which the entry is made or for the purposes of paragraph (1).

(3) If any person intentionally resists or obstructs any officer exercising powers of entry conferred by this Schedule, such person commits an offence under this Act and shall on conviction after a summary trial before a Magistrate be liable to a fine not exceeding ten thousand rupees.

**11.** Any electrical plant, electricity line or electricity meter owned by or let for hire or lent to a consumer by a distribution licensee and marked or impressed with a sufficient mark or brand indicating the distribution licensee as the owner-

(a) shall be deemed not to be landlord's fixtures, notwithstanding that they may be fixed or fastened to

any part of the premises in which they may be situated;  
and

- (b) shall not be subject to distress or be liable to be taken in execution under process of any court or any proceedings in bankruptcy against the person in whose possession they may be.

#### SCHEDULE IV

[section 21(7)(e)]

#### USE OF ELECTRICITY METERS

1. (1) Where a consumer of electricity supplied by a distribution licensee is to be charged for the supply wholly or partly by reference to the quantity of electricity supplied, then, unless otherwise agreed between the consumer and the distribution licensee, the supply shall be given through, and the quantity of electricity shall be ascertained by, an appropriate meter or meters, as the case may be.

(2) The meter shall be provided-

(a) by the distribution licensee; or

(b) if agreed by the parties in the case of a meter used or intended to be used in connection with an exempt supply, by the consumer.

(3) The meter shall be installed on the consumer's premises in a position determined by the distribution licensee, unless in all the circumstances it is more reasonable to place it outside those premises or in some other position for the purpose of this Act, the supply of energy by a licensee to a consumer shall be deemed to commence, unless otherwise agreed between them, at the outgoing terminals of the meter or metering equipment used to measure the supply to the consumer.



(4) The distribution licensee may require the replacement of any meter provided and installed in accordance with paragraphs (2) and (3) where the replacement -

(a) is necessary to secure compliance with the provisions of this Schedule or any regulations made under the Act; or

(b) is otherwise reasonable in all the circumstances,

and any meter so replaced shall be provided and installed in accordance with those paragraphs.

(5) If the consumer refuses or fails to take the supply of electricity through an appropriate meter provided and installed in accordance with paragraphs (2) and (3), the supplier may refuse to give, or may discontinue, the supply.

(6) For the purposes of this paragraph, a meter is an appropriate meter for use in connection with any particular supply of electricity if it is of a pattern or construction, which, having regard to the terms on which the supply is to be charged for is suitable for such use.

(7) Pending the decision under section 23 of any dispute arising under this item, the Regulator may give directions as to the provision or installation of a meter and directions under this item may apply either in the case of meters of particular descriptions or in particular cases.

(8) In this Schedule "exempt supply" means a supply of electricity to any premises where-

(a) the premises are not premises used wholly or mainly for domestic purposes; or

(b) the supplier or the consumer is a person authorized by an exemption to supply electricity to those premises.

2. (1) No meter shall be used for ascertaining the quantity of electricity supplied by a distribution licensee to a consumer unless the meter-

(a) is of an approved pattern or construction and is installed in an approved manner; and

(b) subject to the provisions of paragraph (2), is certified under item 4,

and in this Schedule “approved” means approved by the Regulator in accordance with regulations made under this Act.

(2) The provisions of subparagraph (b) of paragraph (1) shall not apply to a meter used in connection with an exempt supply if the distribution licensee and the consumer have agreed in writing to dispense with the requirements of that paragraph.

(3) Regulations may provide-

(a) for determining fees to be paid for approvals given by or under the regulations;

(b) for revoking an approval so given to any particular pattern or construction of meter and requiring meters of that pattern or construction which have been installed to be replaced with meters of another approved pattern or construction within a prescribed period;

(c) for revoking an approval so given to any particular manner of installation in that manner to be installed in another approved manner within such period as is specified in the regulation,

and may make different provision for meters of different descriptions or for meters used or intended to be used for different purposes.

3. (1) Where a distribution licensee supplies electricity through a meter which is used for ascertaining the quantity of electricity supplied and-

- (a) the meter is not of an approved pattern or construction or is not installed in an approved manner; or
- (b) except in the case of a meter referred to in subparagraph (b) of paragraph (2) of item 1, is not certified under item 4,

the distribution licensee commits an offence under this Act and shall on conviction after summary trial before a Magistrate be liable, to a fine not less than five thousand rupees and not exceeding twenty five thousand rupees.

(2) Where any person commits an offence under this item due to the act or default of some other person, that other person also commits the offence; and that other person may be charged with and convicted of the offence by virtue of this paragraph whether or not proceedings are taken against the first-mentioned person.

(3) In any proceedings in respect of an offence under this item it shall be a defence for the person charged to prove that such person took all reasonable steps and exercised all due diligence to avoid committing the offence.

(4) No proceedings shall be instituted in respect of an offence under this item except by or on behalf of the Regulator.

4. (1) The Regulator may appoint any person to examine, test and certify meters.

(2) No meter shall be certified in accordance with paragraph (1) unless-

- (a) the meter is of an approved pattern or construction; and
- (b) the meter conforms to such standards (including standards framed by reference to margins of error) as may be prescribed by regulations,

and references in this Schedule to “prescribed margins of error” shall be construed accordingly.

(3) Regulations may be made providing different provisions for meters of different descriptions or for meters used, or intended to be used, for different purposes and may include provision-

- (a) for the termination of certification in the case of meters which no longer conform to the prescribed standards;
- (b) for determining the fees to be paid for examining, testing and certifying meters, and the persons by whom they are payable; and
- (c) as to the procedure to be followed in examining, testing and certifying meters.

5. (1) Where a consumer of electricity supplied by a distribution licensee is to be charged for the supply wholly or partly by reference to the quantity of electricity supplied, the distribution licensee may, in the normal course of business, estimate the amount of electricity consumed by the consumer and recover charges accordingly, so long as the estimated consumption is confirmed by a meter reading within a reasonable period of time.

(2) In the event of-

- (a) a meter (by which the quantity of electricity supplied to any consumer is ascertained) being proved to register consumption incorrectly;

- (b) the malfunction of any meter; or
- (c) any person altering the register of any meter used for measuring the quantity of electricity supplied to any premises,

the distribution licensee shall be entitled to estimate consumption and recover charges accordingly.

(3) Where the consumption of electricity has been estimated by a distribution licensee in accordance with paragraph (1) or (2), the consumer shall pay for any electricity consumed in accordance with the estimate prepared by the distribution licensee or otherwise determined in accordance with the provisions relating to dispute resolution.

6. (1) This item applies to meters used for ascertaining the quantity of electricity supplied to any premises.

(2) The register of a meter to which this item applies shall be admissible in any proceedings in court as evidence of the quantity of electricity supplied through such meter.

(3) Where electricity has been supplied for any period through such a meter which is of an approved pattern or construction and is installed in an approved manner, the register of the meter shall be presumed to have been registering during that period-

- (a) within the prescribed margins of error; and
- (b) in the case of a meter used in connection with an exempt supply, within any agreed margins of error.

(4) Where a meter to which this item applies is presumed to be registering for any period-

- (a) within the prescribed margin of error; and
- (b) in the case of a meter used in connection with an exempt supply, within any agreed margins of error,

the burden shall be on the consumer to prove that the meter was incorrectly registering the quantity of electricity supplied through such meter during that period.

7. (1) A consumer of electricity supplied by a distribution licensee, shall at all times, at such consumer's own expense, keep any meter belonging to such consumer in proper order for correctly registering the quantity of electricity supplied to such consumer; and in default of such consumer doing so, the supplier may discontinue the supply of electricity through that meter.

(2) A distribution licensee shall at all times, at its own expense, keep any meter let for hire or lent by it to any consumer in proper order for correctly registering the quantity of electricity supplied and, in the case of pre-payment meters, for operating properly on receipt of the necessary payment.

(3) A distribution licensee shall have power to remove, inspect and re-install any meter by which the quantity of electricity supplied by the licensee to a consumer is registered, and shall, while any such meter is removed, fix a substitute meter on the premises; and the cost of removing, inspecting and re-installing the meter and of fixing a substitute meter shall be met by the distribution licensee.

(4) The provisions of paragraphs (2) and (3) shall be without prejudice to any remedy the distribution licensee may have against a consumer for failure to take proper care of the meter.

8. (1) If any person intentionally or negligently-

- (a) alters the register of any meter used for measuring the quantity of electricity supplied to any premises by a distribution licensee; or

- (b) prevents any such meter from duly registering the quantity of electricity supplied through that meter,

such person commits an offence under this Act and shall on conviction after a summary trial before a Magistrate be liable to a fine not less than five thousand rupees and not exceeding twenty five thousand rupees.

(2) Where any person is prosecuted for an offence under paragraph (1), proof -

- (a) that the meter was in the custody of such person or under the control of such person; and
- (b) of possession by him or her of artificial means for causing an alteration of the register of the meter or, as the case may be, for the prevention of the meter from duly registering,

shall be sufficient evidence that the alteration or prevention was intentionally caused by such person.

(3) Where a consumer is convicted of an offence under paragraph (1), the distribution licensee may discontinue the supply of electricity to the premises of the consumer and remove the meter in respect of which the offence was committed.

(4) Where a distribution licensee removes a meter under paragraph (3), the licensee shall keep it in safe custody until the Regulator authorises the licensee to destroy or otherwise dispose of it.

**9.** (1) A consumer of electricity supplied by a distribution licensee who takes such supply through a pre-payment meter shall be under a duty to take all reasonable precautions for the safekeeping of any money or tokens which are inserted into that meter.

(2) Except with the permission of the consumer, a pre-payment meter shall not be used to recover any sum owing to a distribution licensee by a consumer otherwise than in respect of the supply of electricity, the provision of an electricity line or electrical plant or the provision of the meter.



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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**WOMEN EMPOWERMENT  
ACT, No. 37 OF 2024**

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**[Certified on 02nd of July, 2024]**

*Printed on the Order of Government*

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*Women Empowerment  
Act, No. 37 of 2024*

[Certified on 02nd of July, 2024]

L.D. – O. 49/2023

AN ACT TO MAKE PROVISIONS FOR THE EMPOWERMENT OF WOMEN; TO PROVIDE FOR THE FORMULATION AND IMPLEMENTATION OF THE NATIONAL POLICY ON ADVANCEMENT AND EMPOWERMENT OF WOMEN; TO ESTABLISHED A NATIONAL COMMISSION ON WOMEN; TO MAKE PROVISIONS TO APPOINT OMBUDS FOR THE WOMEN'S RIGHTS; TO ESTABLISH MECHANISMS FOR THE PROTECTION OF WOMEN'S RIGHTS AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

WHEREAS the Universal Declaration of Human Rights affirms the principle of non-discrimination and proclaims that all human beings are born free and equal in dignity and rights and entitled to all rights and freedoms without distinction, including distinctions based on gender:

Preamble

WHEREAS the Constitution of the Democratic Socialist Republic of Sri Lanka recognizes special provisions being made by Law, subordinate legislation or executive action for the advancement of women:

AND WHEREAS the establishment of the National Women's Commission operating at national level, will serve as the effective mechanism for ensuring the empowerment of women:

NOW THEREFORE be it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

1. This Act may be cited as the Women Empowerment Act, No. 37 of 2024.

Short title

2. The objects of this Act shall be -

Objects of the Act

- (a) to make provisions for the advancement and empowerment of women by introducing mechanisms to secure women's rights subject to the provisions of the Constitution;
- (b) to introduce mechanisms to give effect to the obligations undertaken by the Government of Sri Lanka in relation to women in terms of the Convention on the Elimination of All forms of Discrimination Against Women, and in terms of applicable laws;
- (c) to formulate and implement the national policy for the advancement and empowerment of women by timely interventions at all levels across all sectors and developing a framework to facilitate and ensure empowerment of women;
- (d) to protect women from all forms of discrimination based on gender and sexual orientation;
- (e) to take steps to prevent discrimination, marginalization, sexual harassment and violence against women and to strengthen the measures for the prosecution and punishment of acts or omissions relating thereto;
- (f) to make recommendations for law reforms as a matter of priority, in order to provide for the prevention of discrimination against women, and empowerment of women;
- (g) to promote the realization of, and ensure equality and justice for women and take measures to ensure as far as possible, women's participation in all measures and mechanisms connected with administration of justice and the equal

representation of women in decision making structures and positions at every level within the Government;

- (h) to ensure economic empowerment having special regards to women with disabilities;
- (i) to conduct public education programmes relating to all aspects of empowerment of women; and
- (j) to promote and revision of laws and procedures for the purpose of ensuring equal salaries between men and women engaged in employment with equal value,

3. Every woman shall be entitled to women's rights and no woman shall be denied of such rights.

Protection and advancement of women's rights

#### PART I

##### ESTABLISHMENT OF THE NATIONAL COMMISSION ON WOMEN

4. (1) There shall be established a Commission which shall be called and known as the National Commission on Women (hereinafter referred to as the "Commission").

Establishment of the National Commission on Women

(2) The Commission shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in such name.

5. (1) The President shall appoint, subject to the provisions of subsection (2), seven members to the Commission of whom minimum five members shall be women.

Constitution of the Commission

(2) The President shall obtain recommendations –

- (a) from the Constitutional Council for appointing five members of the Commission; and
- (b) from the Women Caucus of Parliament appointed by the Speaker, for appointing two members of the Commission.

(3) The Constitutional Council and the Women Caucus of Parliament, in making their recommendations under subsection (2), shall have due regard to the provisions of subsection (1), and shall make such recommendations from among the persons having distinguished themselves in public life with proven knowledge, experience and eminence in the fields of law or legislation, trade unionism, management and administration, economic development, health, education, empowerment of women or have committed to increase the employment potential of women.

(4) The Constitutional Council and the Women Caucus of Parliament shall make recommendations under subsection (2) within one month from the date of coming into operation of this Act, or from the date of occurrence of a vacancy in the membership of the Commission.

(5) At least three members inclusive of the Chairperson shall be appointed as full time members.

Powers, duties  
and functions of  
the Commission

**6.** The Commission shall exercise, perform and discharge the following powers, duties and functions for the purpose of achieving the objects of this Act:-

- (a) inquire into and investigate the infringement or imminent infringement of women's rights and receive complaints in terms of the provisions of Part II;
- (b) intervene in any proceedings relating to the infringement or imminent infringement of women's rights, pending before any Court, with the permission of such Court;
- (c) to formulate National Policy on advancement and empowerment of women in terms of section 7 of this Act;

- (d) develop a framework in compliance with the National Policy on advancement and empowerment of women to facilitate and ensure empowerment of women (hereinafter referred to as the “framework”);
- (e) conduct public inquiries in relation to the infringement or imminent infringement of women’s rights;
- (f) institute actions in any competent Court on its own motion in relation to the infringement or imminent infringement of women’s rights;
- (g) take such steps as may be directed by a Superior Court or by any other Court in respect of any matter relating to women’s rights referred to by that Court;
- (h) request or call for any information or reports from any person for the purpose of performing any function vested in the Commission under this Act or any regulation made thereunder;
- (i) inquire into, and investigate complaints with a view to ensuring compliance with the provisions of the Constitution relating to women’s rights and to promoting respect for and observance of women’s rights;
- (j) liaise and interact with state institutions, bodies or authorities in order to foster common policies and practices and to promote co-operation in relation to the handling of complaints by the Commission;
- (k) open regional and provincial offices of the Commission;

- (l) acquire take and hold any property movable or immovable by virtue of any purchase, grant, gift or otherwise and to sell, mortgage, lease, grant, convey devise, assign, exchange, dispose of any such movable or immovable property;
- (m) conduct programmes to create awareness and disseminate information regarding women's rights and internationally accepted norms relating to women's rights;
- (n) to refer any women subject to discrimination for mediation in accordance with the provisions hereinafter provided, either on receiving a complaint on such discrimination or on its own motion;
- (o) make recommendations to the Government and the Minister –
  - (i) on measures to be taken to ensure that domestic laws and policies and administrative practices are in accordance with internationally accepted norms and standards on women's rights; and
  - (ii) on the formulation of regulations to be prescribed, legislation and administrative directives and procedures required for respecting promoting, protecting and fulfilling women's rights;
- (p) to assess the impact of legislation, policies and practices on the women's rights and to make recommendations to the relevant bodies in order to promote co-ordination among the bodies handling complaints of women subject to discrimination or violence;



- (q) take steps to ensure equality and protection to women of different categories and status identified by regulations made under this Act;
- (r) monitor and evaluate the adherence by private persons and other non-state institutions to policies and practices in so far as those policies and practices relates to women's rights;
- (s) undertake research in furtherance of the promotion and protection of women's rights and to promote awareness and provide education regarding matters relating to women's rights;
- (t) receive grants, gifts or donations whether from local or foreign sources:

Provided that, the Commission shall obtain prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations;

- (u) award in its absolute discretion, to an aggrieved person such sum of money as it may deem sufficient to meet the expenses that may have been reasonably incurred by such person in making a complaint to the Commission under this Act;
- (v) make rules in respect of the matters for which rules are required to be made under this Act; and
- (w) do all such other acts as may be expedient for the accomplishment of the objects of this Act.

7. (1) The Commission shall formulate the draft of the National Policy on advancement and empowerment of women (hereinafter referred to as the "National Policy") which shall include the procedures and mechanisms for the achievement of the objects of this Act.

Formulation of the national policy on advancement and empowerment of women

(2) (a) The Minister shall discuss with the Commission, the draft National Policy formulate in terms of subsection (1), and being satisfied with the draft National Policy submit such draft National Policy to the Cabinet of Ministers for its approval.

(b) The Cabinet of Ministers may, review the draft National Policy forwarded to the Cabinet of Ministers under paragraph (a), and may suggest amendments thereto prior to granting approval to such National Policy.

(3) Upon the approval of the National Policy by the Cabinet of Ministers under subsection (2), the Minister shall cause such National Policy to be published in the *Gazette* and it shall come into operation on the date of such publication or on such later date as may be specified therein.

(4) The Minister shall within one month of the approval of the Cabinet of Ministers, lay such National Policy before Parliament for its approval.

(5) It shall be the duty of the Commission to ensure that every relevant authority complies with the National Policy so approved.

(6) Where Parliament is not satisfied with the National Policy submitted for approval under subsection (4), it shall make its recommendations for amending the National Policy.

(7) It shall be the duty of the Minister to cause to be incorporated such recommendations to the National Policy and resubmit the National Policy to Parliament after obtaining the approval of the Cabinet of Ministers for such amendments.

(8) If Parliament disapproves the National Policy, the notification of such disapproval shall be published in the *Gazette*.

**8.** Every member of the Commission, unless he vacates office earlier by death, by operation of law, resignation or removal, shall hold office for a term of four years and shall be eligible for reappointment subject to a maximum period of any two terms of office whether consecutive or otherwise.

Term of office  
of members

**9.** (1) The President shall appoint one of the women members to be the Chairperson of the Commission on the recommendation of the Constitutional Council.

Chairperson of  
the Commission

(2) The Chairperson may resign from her office by letter addressed to the President and such resignation shall be effective from the date on which it is accepted by the President.

(3) The President may for reasons assigned therefor remove the Chairperson from the office of the Chairperson subject to the provisions of section 10.

(4) Subject to the provisions of subsections (2) and (3), the term of office of the Chairperson shall be the period of her membership of the Commission.

(5) Where the Chairperson is temporarily unable to exercise, perform and discharge the powers, duties and functions of her office due to ill health, other infirmity, absence from Sri Lanka or any other cause, the President may appoint any other woman member to act as the Chairperson in addition to her normal duties as a member.

Disqualifications  
to be a member  
of the  
Commission

**10.** A person shall be disqualified from being appointed or continuing as a member of the Commission, if such person—

- (a) is or becomes a Member of Parliament, of any Provincial Council or of any Local Authority;
- (b) is not, or ceases to be, a citizen of Sri Lanka;
- (c) has been or is adjudged an insolvent by a Court of competent jurisdiction;
- (d) is or become unfit to continue in office by reason of illness or other infirmity of mind or body;
- (e) has been or is declared to be of unsound mind by a Court of competent jurisdiction;
- (f) has served or is serving of a sentence of imprisonment imposed by any Court in Sri Lanka or any other country; or
- (g) has been removed from office during a previous term in which he was appointed as a member of the Commission.

Removal and  
resignation of  
members

**11.** (1) The office of a member of the Commission shall become vacant-

- (a) upon the death of such member;
- (b) upon such member resigning from such office by writing addressed to the President; or
- (c) upon such member being removed from such office on any grounds specified in section 9.

(2) The President may, after an address to Parliament and supported by a resolution passed by a majority of the total number of members of Parliament (including those not present), remove a member of the Commission from office on the ground of proven misbehavior or incapacity under subsection (1):

Provided however, that no resolution for the presentation of such an address shall be entertained by the Speaker or placed on the Order Paper of Parliament, unless notice of such resolution is signed by not less than one-third of the total number of members of Parliament and sets out full particulars of the alleged misbehavior or incapacity.

(3) The procedure for the presentation and passing of an address to Parliament for the removal of a judge of the Supreme Court or the Court of Appeal, shall apply in all respects to the presentation and passing of an address to Parliament for the removal of a member of the Commission.

**12.** (1) The Chairperson of the Commission shall, if present, preside at all meetings of the Commission. In the absence of the Chairperson from any such meeting, the members present shall elect one amongst themselves to preside at such meeting.

Meetings of the  
Commission

(2) The *quorum* for any meeting of the Commission shall be four members.

(3) A meeting of the Commission may be held either-

- (a) by the number of members who constitute a *quorum* being assembled at the place, date and time appointed for the meeting; or

(b) by means of audio - visual communication by which all members participating and constituting a *quorum* can simultaneously see and hear each participating member for the duration of the meeting.

(4) The Commission may regulate the procedure in regard to the meetings of the Commission and the transaction of business at such meetings.

(5) All questions for decision at any meeting of the Commission shall be decided by the vote of the majority of the members present. In the case of an equality of votes the member presiding shall have a casting vote.

Remuneration of members

**13.** The salaries of the members of the Commission shall be determined by Parliament and shall be charged on the Consolidated Fund.

Members to disclose any interest

**14.** A member who is directly or indirectly interested in any decision that is to be taken on any matter by the Commission shall disclose the nature of such interest at the meeting of the Commission where such decision is being taken, and such disclosure shall be recorded in the minutes of the meetings of the Commission and such member shall not take part in any deliberation or decision of the Commission with regard to that matter and shall withdraw from such meeting while such deliberation is in progress or such decision is being made.

Proceeding, act or decision not invalidated by reason of a vacancy

**15.** No proceeding, act or decision of the Commission shall be invalidated by reason only of the existence of a vacancy among its members or of any defect in the appointment of a member thereof.

**16. The seal of the Commission –**

Seal of the  
Commission

- (a) shall be in the custody of the Commission;
- (b) may be altered in such manner as may be determined by the Commission; and
- (c) shall not be affixed to any instrument or document except in the presence of one member of the Commission and the Executive Director of the Commission or in the absence of the Executive Director, in the presence of any two members of the Commission, who shall sign the instrument or document in token of their presence.

**PART II**

**POWERS OF INQUIRY AND INVESTIGATION OF THE COMMISSION**

**17. (1)** The Supreme Court may refer any matter relating to an infringement or imminent infringement of women's rights, arising in the course of a hearing of an application made to the Supreme Court in terms of Article 126 of the Constitution, to the Commission for inquiry and report.

Procedure upon  
reference in  
terms of  
Article 126

(2) The Commission shall inquire into and report to the Supreme Court any matter referred to it under subsection (1), within the period if any, specified in such reference.

(3) Where in the course of an inquiry or investigation conducted by the Commission in terms of the provisions of this Act, a question arises as to the scope or ambit of women's rights as protected by this Act, the Commission may refer such question to the Supreme Court for its determination thereon.

Commission  
empowered to  
investigate the  
infringement or  
imminent  
infringement of  
women's rights

**18.** (1) The Commission may in addition to the matters referred to the Commission under section 17, inquire into and investigate an alleged infringement or imminent infringement of women's rights by an action or omission of any person, on its own motion or upon application made to it under section 19:

Provided that, the Commission shall not entertain any application regarding the infringement or imminent infringement of women's rights if relief in respect of such infringement has already been sought in any Court, Tribunal or any Institution created or established by the Constitution or any other law for the time being in force:

Provided further, the Commission shall not inquire any application regarding infringement or imminent infringement of women's rights, if inquiry has already been conducted by the Ombuds under section 31 and in such event the Commission shall act in accordance with the provisions of that section.

(2) The Commission shall cause the inquiry and investigation referred to in subsection (1) to be conducted by a Committee appointed by the Commission, within one month of receiving the application or information on the alleged infringement or imminent infringement and the Committee shall conduct the inquiry and investigation subject to the provisions of the Constitution and other written law.

(3) The Committee appointed under subsection (2) shall on conclusion of its investigation, submit a report thereon to the Commission. The Commission shall after consideration of such report, arrive at a final decision on whether there has been an infringement or imminent infringement of women's rights.

(4) The members of a Committee appointed under subsection (2) shall be paid out of the Fund of the Commission, such allowance as may be determined by the Commission with the concurrence of the Minister assigned the subject of Finance.



**19.**(1) Any aggrieved person or any other person acting on behalf of the aggrieved person, may apply to the Commission as referred to in subsection (1) of section 18, requesting the Commission to inquire into and investigate an alleged infringement or imminent infringement of women's right.

Application to investigate infringement of women's rights

(2) The application under subsection (1) shall be made within one month of the date of, or such person becoming aware of such alleged infringement or imminent infringement.

(3) Where an application is made to the Commission by any person pursuant to subsection (1), the period within which the inquiry into such complaint is pending before the Commission, shall not be taken into account in computing the period of one month within which an application may be made to the Supreme Court by such person in terms of paragraph (2) of Article 126 of the Constitution or which an application for relief may be made by such person to any other statutory body, person, court or tribunal under any other law.

**20.** In every inquiry and investigation conducted under the provisions of this Act, the aggrieved person as well as the party who is alleged to have infringed the rights of the aggrieved person shall be afforded an opportunity to be heard.

Both parties to be given opportunity to be heard at inquiry or investigation

**21.** (1) Where an investigation conducted by the Commission under section 18, does not disclose that an infringement or imminent infringement of the rights of an aggrieved person had taken place, the Commission shall record that fact and shall, if the investigation was commenced upon an application made therefor, forthwith inform the applicant within fourteen days.

Steps to be taken after conclusion of investigation

(2) Where an investigation conducted by the Commission, under section 18 discloses that an infringement or imminent infringement of the rights of the aggrieved person had in fact taken place, the Commission may-

- (a) if the Commission is of the opinion, that the grievance complained of may be effectively resolved by mediation, refer the matter for mediation in terms of section 22 and direct the parties to appear before the panel of mediators appointed under section 24; or
- (b) forward to the relevant person a recommendation as to the manner in which in the opinion of the Commission, the infringement or imminent infringement may be remedied or prevented.

(3) The Commission shall inform the aggrieved person of the action that has been taken by the Commission in terms of subsection (2) within fourteen days of the date of the decision.

Mediation

**22.** (1) Where the Commission refers a dispute for mediation under paragraph (a) of subsection (2) of section 21 or subsection (3) of section 38, the panel of mediators appointed under section 24, shall –

- (a) mediate between the parties with a view to assisting the parties to amicably resolve the dispute;
- (b) conduct the mediation process in compliance with the rules of procedure applicable to the conduct of mediation proceedings;
- (c) conclude the mediation process within a period of sixty days from the date on which the dispute referred to the panel of mediators; and

- (d) during the mediation process, abide by norms set out in the Code of Conduct for Mediators.

**23.** (1) For the purpose of sections 21, 22 and 38, there shall be a Panel of Mediators consisting of five members appointed by the Commission, from among the persons who have proven knowledge, experience and eminence in the fields of law, administration, education or empowerment of women.

Appointment of  
Panel of  
Mediators

(2) Code of conduct for the Panel of Mediators, term of office, and remuneration of the members of the Panel of Mediators shall be as prescribed.

(3) The Commission shall make rules setting out the procedure which shall apply to the conduct of mediation proceedings.

**24.** (1) Where a settlement by mediation is reached between the parties, the terms of the settlement agreed to by the parties shall be reduced to writing, by the panel of mediators, in the form of an agreement and shall be signed by the parties who shall thereafter comply with the obligations thereunder. The panel of mediators shall forward a copy of the agreement to the Commission.

Procedure upon  
conclusion of  
Mediation

(2) Where a matter is referred for mediation under this section and a settlement is arrived at, the Commission shall inform the applicant of the same within fourteen days and shall thereafter make such directions including directions as to the payment of compensation as may be necessary to give effect to the terms of such settlement.

(3) In the event of the mediation process not being successful, or where one party objects to the same, the panel of mediators shall accordingly report the situation to the Commission.

(4) Upon the receipt of the report under subsection (3), where the attempt at mediation is not successful, the Commission may –

- (a) make such recommendation as it may think fit for the appropriate authority or person or persons concerned, with a view to preventing or remedying such infringement or the continuation of such infringement;
- (b) recommend to the appropriate authority, that prosecution or other proceedings be instituted against the person responsible for such infringement; and
- (c) grant such relief or make such direction as it may deem just and equitable in the circumstances.

Commission  
require parties  
&c., to give  
effect to the  
recommendations  
in the agreement

**25.** (1) The Commission shall consequent to the agreement being forwarded to it, notify the parties to the dispute and any other relevant person or government department or institution mentioned in the recommendations of the settlement as embodied in the agreement, to take all such steps as may be necessary to give effect to such decisions or recommendations.

(2) Any relevant person or government department or institution who has been directed to give effect to a decision or recommendation contained in an agreement specified in subsection (1), who is unable to take necessary steps to give effect to such decision or recommendation shall forthwith inform the Commission of its inability stating its reasons therefor.

Appeal against  
the decision of  
the Commission

**26.** (1) Any person who is aggrieved by a decision of the Commission made under this Act, may appeal against such decision to the Court of Appeal within one month of the date on which such decision was communicated to such person.

(2) Until rules are made under Article 136 of the Constitution pertaining to appeals under this section, the rules made under that Article pertaining to an application by way of revision to the Court of Appeal, shall apply in respect of every appeal made under subsection (1) of this section.

**27.** (1) The Commission shall, for the purposes of inquiry or investigation under this Act, have the power to –

Powers of  
Inquiry or  
investigation  
under this Act

- (a) procure and receive all such evidence, written or oral, and to examine all such persons as witnesses, as the Commission may think it necessary or desirable to procure or examine;
- (b) require the evidence, whether written or oral, of any witness, to be given on oath or affirmation. Such oath or affirmation shall be that which be required of the witness if such witness was giving evidence in a Court of law, and such oath or affirmation shall be administered to every witness giving evidence before the Commission, by an officer authorized on that behalf by the Commission;
- (c) to summon any person, to attend or participate in any proceedings of the Commission to give evidence or produce any document or other material in the possession of such person, and to examine such person as a witness or require such person to produce any document or other material;
- (d) admit, notwithstanding the provisions of the Evidence Ordinance, any evidence, whether written or oral, which might be inadmissible in civil or criminal proceedings, if such evidence is material to the dispute in question; and

- (e) to admit or exclude the public from such inquiry or investigation or any part thereof.

(2) It shall be the duty of every person summoned under subsection (1) to comply with such summons unless such person is prohibited from disclosing the information required in terms of the Right to Information Act, No. 12 of 2016.

Privileges of  
persons giving  
evidence before  
the Commission

**28.** (1) Any person who gives evidence before the Commission shall, in respect of such evidence, be entitled to all the privileges to which a witness giving evidence before a Court of law is entitled to, in respect of the evidence given by such person before such Court.

(2) No person shall, in respect of any evidence, written or oral, given by that person to, or before the Commission be liable to any action, prosecution or other proceedings, civil or criminal in any Court.

(3) Subject as hereinafter provided, no evidence or any statement made or given by any person to, or before, the Commission, shall be admissible against that person in any action, prosecution or other proceeding, civil or criminal in any Court:

Provided that, nothing in the provisions of this subsection shall affect, or be deemed or construed to affect, any prosecution or penalty for any offence under Chapter XI of the Penal Code (Chapter 19):

Provided further that, nothing in the provisions of this sub section shall prohibit or be deemed or construed to prohibit the publication or disclosure of the name, or of the evidence or any part of the evidence of any witness who gives evidence before the Commission for the purposes of the prosecution of that witness for any offence under Chapter XI of the Penal Code (Chapter 19).

**29.** (1) Every summons issued by the Commission shall be under the hand of the Chairperson of the Commission.

Summons to be  
under the hand  
of the  
Chairperson

(2) A summons may be served by delivering it to the person named therein or by leaving it at the last known place of abode of that person, or by sending it by registered post to the abode of that person.

(3) Every person to whom a summons is served shall attend before the Commission at the time and place specified therein and shall answer the question put to him by the Commission or produce such documents or materials as are required of him and are in his possession or power.

**30.** (1) An act done or omitted to be done in relation to the Commission, whether in the presence of the Commission or otherwise, shall constitute an offence of contempt against, or in disrespect of, the authority of the Commission if such act would, if done or omitted to be done in relation to the Supreme Court, have constituted an offence or contempt against, or in disrespect of, the authority of such Court.

Contempt of the  
Commission

(2) Every offence of contempt committed against, or in disrespect of the authority of the Commission shall be punishable by the Supreme Court as though it was an offence of contempt committed against, or in disrespect of, the authority of that Court, and the Supreme Court is hereby vested with jurisdiction to try every such offence.

(3) Any person who –

- (a) fails without cause, which in the opinion of the Commission is reasonable to appear before the Commission at the time and place mentioned in the summons served under this Act;

- (b) refuses to be sworn or affirmed or having been duly sworn or affirmed refuses or fails without cause to answer any question put to him regarding matters being inquired into, or investigated by, the Commission;
- (c) refuses or fails without cause which in the opinion of the Commission is reasonable to comply with the requirements of a notice or written order or direction issued or made to him, by the Commission;
- (d) refuses or fails without cause, which in the opinion of the Commission is reasonable to produce and show to the Commission any document or other material, which is in the possession or control of such person and which is in the opinion of the Commission required for ascertaining the truth of the matters being inquired or investigated into; or
- (e) fails to comply with a recommendation or decision of the Commission,

shall be guilty of the offence of contempt of against, or in disrespect of the authority of the Commission.

(4) Where the Commission determines that a person is guilty of an offence of contempt under paragraph (b) or (c) of subsection (3) the Commission may transmit to the Supreme Court a Certificate setting out such determination. Every such Certificate shall be signed by the Chairperson of the Commission.

(5) In any proceedings for the punishment of an offence of contempt which the Supreme Court may think fit to take cognizance of, as provided in this section, any document purporting to be a Certificate signed and transmitted to the Court under subsection (4) shall –



- (a) be received in evidence, and be deemed to be such a Certificate without further proof, unless the contrary is provided; and
- (b) be evidence that the determination set out in the Certificate was made by the Commission and of the facts stated in the determination.

(6) In any proceeding taken as provided in this section for the punishment of alleged offence of contempt against, or in disrespect of the authority of the Commission, no member of the Commission shall notwithstanding anything to the contrary in this Act except with his own consent, be summoned or examined as a witness.

### PART III

#### OMBUDS FOR THE WOMEN'S RIGHTS AND STAFF OF THE COMMISSION

**31.** (1) There shall be appointed a person who shall be called and known as the Ombuds for Women's Rights (hereinafter referred to as the "Ombuds") who shall be charged with the responsibility of entertaining any complaint referred to him by an aggrieved person connected with gender based violence or to a complaint concerning the infringement or imminent infringement of women's rights.

Appointment of  
an Ombuds for  
Women's Rights

(2) The person appointed to hold the office of Ombuds in terms of subsection (1) shall be a person of good repute with proven ability in the areas of law, human rights, mediation and dispute resolution.

(3) Any person who is subjected to, or who is aware of the occurrence of, gender based violence or to the infringement or imminent infringement of women's rights may make a complaint to the Ombuds.

(4) The Ombuds shall maintain a record of all complaints received and shall in the order that such complaints are received, make inquiries into the facts of each complaint.

(5) On the conclusion of an inquiry into a complaint, the Ombuds shall forward to the Commission a report containing recommendations and possible avenues of relief available to the complainant in terms of the provisions of this Act. The Commission shall take cognizance of the recommendations made by the Ombuds in recommending action to be taken in terms of Part II of this Act.

(6) Terms of reference applicable to the Ombuds, the remuneration payable, the term of office including manner of removal therefrom and the Code of Conduct to be adhered to by the Ombuds shall be as prescribed.

Executive  
Director

**32.** (1) There shall be appointed by the President on the recommendation of the Minister, a person with prescribed qualifications to be the Executive Director of the Commission who shall act on the instructions of and be subject to, the general direction and control of the Commission and be responsible to the Commission.

(2) Subject to any written law and any guidelines issued by the Government from time to time, the conditions of employment including remuneration and scheme of recruitment of the Executive Director shall be determined by the Commission.

(3) The Executive Director may be present at meetings of the Commission and speak at such meetings but shall not be entitled to vote any such meeting.

(4) The President may for reasons assigned, remove the Executive Director appointed under subsection (1), from such office.

**33.** (1) The Commission may appoint such number of officers and employees, as the Commission may deem necessary for the proper and efficient discharge of its functions.

Staff of the  
Commission

(2) The Commission may –

- (a) exercise disciplinary control over or dismiss any officer or employee of the Commission;
- (b) subject to relevant written law and any guidelines issued by the Government from time to time, stipulate the conditions of employment including remuneration and scheme of recruitment of the officers and employees;
- (c) establish and regulate a provident fund and any other welfare and security schemes for the benefit of the officers and employees of the Commission subject to any written law and make contributions to any such fund or scheme.

(3) At the request of the Commission, any officer in the public service may, with the consent of that officer and the Secretary to the Ministry under which that officer is employed and the Secretary to the Ministry of the Minister assigned the subject of Public Administration, be temporarily appointed to the staff of the Commission for such period as may be determined by the Commission, or with like consent, be permanently appointed to such staff.

(4) (a) Where any officer in the public service is temporarily appointed to the staff of the Commission, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to an in relation to, such officer.

(b) Where any officer in the public service is permanently appointed to the staff of the Commission, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to an in relation to, such officer.

(c) Where the Commission employs any person who has entered into any contract with the Government by which he has agreed to serve the Government for a specified period, any period of service to the Commission by that person shall be regarded as service to the Government for the purpose of discharging his obligation under such contract.

#### PART IV

##### NATIONAL FUND FOR WOMEN

Establishment of  
the National  
Fund for  
Women

**34.** (1) There shall be established for the purposes of this Act, a Fund to be called the “National Fund for Women” (hereinafter referred to as the “Fund”).

(2) The power of administration and management of the Fund shall be vested with the Commission.

(3) There shall be paid into the Fund –

(a) all such sums of money as shall be voted from time to time by Parliament for the use of the Commission;

(b) all such sums of money as may be received by the

Commission by way of aid, gift, grants, donations or bequests from any source whatsoever, whether in Sri Lanka or abroad with the approval of the Department of External Resources; or

- (c) all such sums of money as may be received by the Commission by way of proceeds from the sale of any movable or immovable property of the Commission.

(4) There shall be paid out of the Fund –

- (a) all such sums of money as are required to defray any expenditure incurred by the Commission, in the exercise, performance and discharge of its powers, duties and functions under this Act;
- (b) all such sums of money as are authorized by the Commission to make any ex-gratia payments to any individual or organization in recognition of any exceptional or outstanding contribution to the cause of women's rights; or
- (c) all such sums of money as are required to be paid out of the Fund, by or under this Act.

**35.** The Commission in consultation with the Minister assigned the subject of Finance may invest the moneys of the Fund which is not immediately needed, for the programmes which assist the empowerment of women as it may determine.

Commission may  
invest its money

**36.** (1) The Commission shall cause proper accounts to be kept of the income and expenditure, assets and liabilities and all other transactions, of the Commission.

Audit and  
Accounts

(2) The financial year of the Commission shall be the calendar year.

(3) The provisions of Article 154 of the Constitution relating to the audit of accounts of Public Corporation shall apply to the audit of the accounts of the Commission.

## PART V

### GENERAL

#### Regulations

**37.** (1) The Minister shall in consultation with the Commission make regulations in respect of matters required by this Act to be prescribed or in respect of which regulations are authorized to be made.

(2) Without prejudice to the generality of the powers conferred by subsection (1), regulations may be made in respect of all or any of the following: -

- (a) prescribing the manner in which the Commission shall appoint the Committee referred to in subsection (2) of section 18;
- (b) prescribing the eligibility required of the persons appointed to the Committee referred to in subsection (2) section 18;
- (c) prescribing the procedure to be followed by the Committee in relation to an inquiry or investigation being conducted in terms of section 18;
- (d) identifying the mechanisms or processes to be adopted in relation to complaints and grievances received by the Commission in terms of the provisions of this Act;
- (e) identifying women of different categories and status and to prescribe measures to be adopted to ensure equality and protection to respective category or status;

- (f) issuing guidelines to the relevant authorities, specifying the manner of adhering to the framework;
- (g) prescribing areas in which economic empowerment of women is required and targets to be met under the framework and to ensure not less than fifty *per centum* contribution of women in the national economy;
- (h) establishing mechanisms to promote empowerment initiatives:-
  - (i) for socio economic empowerment of women having special regards to women with disabilities;
  - (ii) for the protection of girls from all forms of violence, forced labour, trafficking and exploitation;
  - (iii) for a support systems for assisting women to access judicial processes for obtaining redress for gender based violence and discrimination;
- (i) prescribing policies and practices to be adopted by private persons and other non- state institutions to ensure women's rights; and
- (j) for the purpose of carrying out or giving effect to the principles and provisions of this Act.

(3) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of its publication or on such later date as may be specified therein.

(4) Every regulation made by the Minister, shall as soon as convenient after its publication in the *Gazette*, be brought before Parliament for approval. Every regulation which is not so approved shall be deemed to be rescinded as from the date of such disapproval but without prejudice to anything previously done thereunder.

(5) The notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

Special Power of  
the Minister  
under this Act

**38.** (1) The Minister shall take necessary steps for upgrading the Sri Lanka Women's Bureau to a Government Department.

(2) Any person who fails to comply with any regulation made under section 37 shall be liable to inform the Minister in writing the reasons for such noncompliance. If the Minister is satisfied with the reasons given, the Minister may extend the period for compliance.

(3) Where the regulations made by the Minister have not been complied with within the extended period referred to in subsection (2), the Minister may refer the matter to the Commission to resolve by mediation.

(4) The provisions of paragraphs (a),(b),(c) and (d) of subsection (1) of section 22 shall apply to a matter referred to mediation under subsection (3).

Annual Report

**39.** The Commission shall at the end of each financial year submit to Parliament, a report containing a list of all matters referred to it, the action taken in respect of them along with the recommendations of the Commission in respect of each matter.



**40.** The Commission may delegate to any officer or officers appointed to assist the Commission any of its powers, duties or functions in so far as is required for the efficient functioning of the Commission and the officer or officers to whom such powers are so delegated may exercise those powers subject to the direction and control of the Commission. Any delegation made under this section may be withdrawn by the Commission.

Delegation of powers, duties or functions of the Commission

**41.** The members of the Commission and the officers and employees appointed to assist the Commission shall be deemed to be public servants within the meaning and for the purposes of the Penal Code (Chapter 19) and every inquiry of investigation conducted under this Act, shall be deemed to be judicial proceeding within the meaning of that Code.

Members of the Commission deemed to be public servants

**42.** The provisions of Part III of Chapter I under the Heading “Offences relating to Bribery or Corruption” of the Anti- Corruption Act, No. 9 of 2023, shall *mutatis mutandis* be deemed to be applicable to or in relation to, the provisions of this Act.

Provisions of the Anti-Corruption Act, No.9 of 2023 to be applied

**43.** (1) A liability, whether civil or criminal, shall not be attached to any member or officer of the Commission or to any officer authorised by such member or officer, for anything which in good faith is done in the exercise, performance or discharge of any power, duty or function imposed or conferred on the Commission under this Act.

Protection of members and officers of the Commission from suit or prosecution

(2) Any expense incurred by the Commission in any suit or prosecution brought by or against the Commission before any Court shall be paid out of the Fund, and any costs paid to, or recovered by, the Commission in any such suit or prosecution shall be credited to the Fund.

(3) Any expense incurred by any such person in any suit or prosecution brought against him before any Court in respect of any act which is done or purported to be done by him under this Act or any appropriate instrument, or on the direction of the Commission, shall, if the Court holds that the act was done in good faith, be paid out of the Fund, unless such expense is recovered by him in such suit or prosecution.

Rules of the  
Commission

**44.** (1) The Commission may make rules in respect of all matters for which rules are required or authorized to be made under this Act. Every rule made under this Act shall be published in the *Gazette*.

(2) Every rule made by the Commission shall be approved by the Minister and such rules and the notification of such approval be published in the *Gazette* within a reasonable period of time not exceeding three months and shall come into operation on the date its publication or on such later date as may be specified thereon.

(3) Any rule made by the Commission may at any time, be amended, added to, varied or rescinded in the like manner.

Interpretation

**45.** In this Act, unless the context otherwise requires –

“Minister” means the Minister to whom the implementation of this Act has been assigned under Article 44 or 45 of the Constitution;

“Code of conduct for Mediators” means the Code of Conduct for Mediators as prescribed by the Minister under this Act;

“person” includes any body of persons, corporate or unincorporate and a private person but shall not include legislative or judicial bodies;

“prescribed” means the prescribed by regulations made under this Act;

“private person” means any person who is not the State or an organ or employee of the State and includes any incorporated person in which the State, the Government or any public corporation or local authority holds less than fifty *percentum* of the shares of or interests in, such incorporated person; and

“women’s rights” mean the rights of women to equality and non discrimination as enumerated in Article 12 of the Constitution and the goals described in Convention on Elimination of All forms of Discrimination Against Women including promoting equal opportunities for women in access to education and employment and ensuring freedom from sexual harassment and all forms of violence against women enabling them to live in dignity.

**46.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SRI LANKA NATIONAL COMMISSION  
FOR THE UNESCO ACT, No. 38 OF 2024**

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**[Certified on 02nd of July, 2024]**

*Printed on the Order of Government*

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*Sri Lanka National Commission  
for the UNESCO Act, No. 38 of 2024*

[Certified on 02nd of July, 2024]

L.D.—O. 46/2008

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE NATIONAL  
COMMISSION FOR THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC  
AND CULTURAL ORGANIZATION (UNESCO); AND FOR MATTERS  
CONNECTED THEREWITH OR INCIDENTAL THERETO.

WHEREAS Sri Lanka obtained the membership of the United Nations Educational, Scientific and Cultural Organization (hereinafter referred to as the “UNESCO”) in 1949, embracing the vision of UNESCO to contribute to the building of a culture of peace, eradication of poverty, sustainable development and inter cultural dialog through education, sciences, culture, communication and information: Preamble

AND WHEREAS Article VII of the Constitution of the UNESCO mandates each member to form a National Commission to function as agencies of liaison between the national government including the relevant public, semi-governmental, private and civil organization and the UNESCO and contribute in the advancement of the objectives of the UNESCO and in the implementation of the programmes in support of the UNESCO priorities:

NOW THEREFORE BE it enacted by the Parliament of Democratic Socialist Republic of Sri Lanka as follows:-

**1.** This Act may be cited as the Sri Lanka National Commission for the UNESCO Act, No. 38 of 2024. Short title

PART I

ESTABLISHMENT OF THE SRI LANKA NATIONAL COMMISSION  
FOR THE UNESCO

Establishment of  
the Sri Lanka  
National  
Commission for  
the UNESCO

**2.** (1) There shall be established a Commission which shall be called the Sri Lanka National Commission for the UNESCO (hereinafter referred to as the “Commission”).

(2) The Commission shall, by the name assigned to it by subsection (1), be a body corporate with perpetual succession and a common seal and may sue and be sued in such name.

Objects of the  
Commission

**3.** The objects of the Commission shall be-

- (a) to assume, alone or in collaboration with other bodies, the responsibility for-
  - (i) operation of all the UNESCO funded or related activities in Sri Lanka;
  - (ii) initiation, co-sponsorship and endorsement of all the UNESCO resolutions, guidelines, conventions and other instruments at the UNESCO Executive Board and the UNESCO General Conference;
  - (iii) Sri Lanka’s active participation in the sub-regional, regional and international UNESCO activities, ensuring benefit to people of Sri Lanka without any discrimination;
  - (iv) submitting nominations to the UNESCO registries.

- (b) to link the relevant ministries, government departments, semi government, non-government and private agencies, institutions, organizations and intellectuals and the people of Sri Lanka effectively with the the UNESCO programmes and activities securing the intellectual, scientific, artistic or administrative resources and capacities available in Sri Lanka;
- (c) to develop international cooperation and partnerships for Sri Lanka as envisaged in Article II of the the UNESCO Constitution –
  - (i) in the planning and execution of activities entrusted to the UNESCO which are undertaken with the assistance of organizations of the United Nations family and other international institutions and programmes;
  - (ii) to promote mutually beneficial UNESCO programmes with the UNESCO affiliated bodies and other international organizations by conducting international, regional and sub-regional activities with a view to achieving the objectives of the UNESCO;
- (d) to facilitate the exchange of information in areas related to education, science, culture, communication and information through local, regional and global programmes organized by the UNESCO and acting as a clearing house for information in the related fields and disseminating information to arouse public interest in those areas;
- (e) to introduce the UNESCO conventions and other international instruments to relevant Ministries for ratification and follow up;



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for the UNESCO Act, No. 38 of 2024*

- (f) to facilitate technical assistance to and capacity building in Sri Lanka through the the UNESCO system; and
- (g) to contribute to the the UNESCO's vision of maintenance of peace, security and the common welfare of mankind by participating in the activities of the UNESCO through education, science, culture, communication and information which are the main pillars of foundation of the UNESCO.

Powers, duties  
and functions of  
the Commission

**4.** The powers, duties and functions of the Commission shall be to –

- (a) develop and sustain international liaison, coordination, consultations and advocacy with all of the UNESCO system and activities;
- (b) ensure appropriate representations and facilitate informed interventions by Sri Lanka at the the UNESCO General Conference, Executive Board meetings, summits, conferences and intergovernmental meetings;
- (c) inform stakeholders, implement and monitor the UNESCO conventions, resolutions and similar instruments;
- (d) initiate, fund, coordinate and monitor the UNESCO related programmes, Centres, Sites, Cities, Networks, Associations, Clubs, and Chairs in Sri Lanka in collaboration with the Sri Lankan stakeholders and support with technical assistance and capacity building through the UNESCO system;

- (e) appoint National committees, steering committees, working committees, expert committees and consultants in the UNESCO areas of competence with specific terms of reference to support activities of the Commission and decide on appropriate remuneration for the committee members or consultants;
- (f) celebrate the UNESCO declared days, years and decades, as relevant to Sri Lanka with stakeholders;
- (g) disseminate information on and recommend candidates for the UNESCO awards, fellowships, the UNESCO chairs, study grants and other programmes;
- (h) obtain reports, information and data relating to all such matters as may be necessary to enable the Commission to effectively exercise, perform and discharge any of its powers, duties and functions under this Act, from government and non-governmental institutions in Sri Lanka;
- (i) exercise disciplinary control, including dismissal, over the officers and employees of the Commission;
- (j) erect, rent, equip and maintain such buildings and memorials including offices, libraries, pavilions, meeting halls and conference halls and the UNESCO plaques as are necessary for the discharge of its functions;
- (k) exercise sufficient authority in financial management to enable it to carry out efficiently the functions of the Commission and to increase its participation in the activities of the UNESCO;

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- (l) authorize, certify and permit relevant stakeholders to conduct activities relevant to the UNESCO mandate;
- (m) approve and issue operating manuals, guidelines and regulations to direct and facilitate the operations of the Secretariat;
- (n) disseminate information to the mass and digital media to reach out to the general public, individuals and institutions concerned on any aspect of the UNESCO's objectives, programmes and activities;
- (o) receive and mobilize local (government or private) funds or foreign funds for the implementation of the UNESCO programmes:

Provided that, notwithstanding anything to the contrary in any other provisions of this Act, the Commission shall obtain the prior written approval of the Department of External Resources in respect of all foreign funds;

- (p) pay annual and other membership or subscription fees to the UNESCO and the UNESCO affiliated bodies;
- (q) enter into and perform all such contracts and Memorandum of Understandings (MOUs) as may be necessary for the exercise, performance and discharge of the powers, duties and functions of the Commission and conduct joint or independent studies, researches, deliberations and consultations on matters of interest to the UNESCO;
- (r) outsource money for appropriate payments in compliance with the relevant financial regulations, research, data collating or any other services or activities necessary for the smooth and efficient discharge of the duties and functions of the Commission;

- (s) have the ownership of all research, any material or data collected by any person for the purposes of this Act and be responsible for the protection of such research, material or data;
- (t) administer and coordinate the UNESCO activities and permit the use of the UNESCO approved logo with the UNESCO listed sites and items and activities and charge fees for such services;
- (u) open and maintain, current, savings and deposit or fixed accounts in any bank or banks and invest such funds as are not immediately required for the purposes of the Commission in such securities as it may determine;
- (v) accept gifts, contributions, grants or donations from local or foreign sources, whether in cash or otherwise, for the purpose of discharging the functions of the Commission:

Provided that, notwithstanding anything to the contrary in any other provisions of this Act, the Commission shall obtain prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations;

- (w) impose a levy on every visitor to the UNESCO heritage sites and biosphere reserves and other the UNESCO sites in Sri Lanka, calculated at such rate as may be prescribed by the Minister in consultation with the Minister in charge of the subject of Finance;
- (x) acquire and hold, take or give on lease, mortgage or hire, pledge or sell or otherwise dispose of, any movable or immovable property, for the purpose of discharging the functions of the Commission; and

- (y) enter into and perform all such contracts as may be necessary for the exercise, performance and discharge of the powers, duties and functions of the Commission.

Constitution of  
the Commission

**5.** The Commission shall consist of -

- (a) the following *ex-officio* members, namely -
  - (i) the Minister or Deputy Minister or State Minister as the case may be, in charge of the subject of Education;
  - (ii) the Secretary to the Ministry of the Minister or an Additional Secretary of such Ministry;
  - (iii) the Secretary to the Treasury or his nominee not below the rank of Deputy Secretary to the Treasury;
  - (iv) the Secretary to the Ministry of the Minister assigned the subject of Foreign Affairs or an Additional Secretary of such Ministry;
  - (v) the Secretary to the Ministry of the Minister assigned the subject of Vocational Training or his nominee not below the rank of an Additional Secretary ;
  - (vi) the Secretary to the Ministry of the Minister assigned the subject of Higher Education or his nominee not below the rank of an Additional Secretary;
  - (vii) the Secretary to the Ministry of the Minister assigned the subject of Science and Technology or his nominee not below the rank of an Additional Secretary;

- (viii) the Secretary to the Ministry of the Minister assigned the subject of Ocean or his nominee not below the rank of an Additional Secretary;
- (ix) the Secretary to the Ministry of the Minister assigned the subject of Environment or his nominee not below the rank of an Additional Secretary;
- (x) the Secretary to the Ministry of the Minister assigned the subject of Culture or his nominee not below the rank of an Additional Secretary;
- (xi) the Secretary to the Ministry of the Minister assigned the subject of documentary heritage or his nominee not below the rank of an Additional Secretary;
- (xii) the Secretary to the Ministry of the Minister assigned the subject of Mass Media or his nominee not below the rank of an Additional Secretary;
- (xiii) the Secretary to the Ministry of the Minister assigned the subject of Social Services or his nominee not below the rank of an Additional Secretary;
- (xiv) the Secretary to the Ministry of the Minister assigned the subject of Forest Conservation or his nominee not below the rank of an Additional Secretary;
- (xv) the Secretary to the Ministry of the Minister assigned the subject of Wildlife Conservation or his nominee not below the rank of an Additional Secretary;

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- (xvi) an officer of the Central Cultural Fund nominated by the Secretary to the Ministry of the Minister assigned the subject of Culture;
  - (xvii) the Conservator-General of Forest appointed under section 58 of the Forest Conservation Ordinance (Chapter 451);
  - (xviii) the Director-General of Wildlife appointed under section 68 of the Fauna and Flora Protection Ordinance (Chapter 469);
  - (xix) the Secretary-General of the Sri Lanka National Commission for the UNESCO; and
  - (xx) the six Chairpersons of the six National Committees established under section 15 of this Act; and
- (b) six members appointed by the Minister from among persons who have distinguished themselves in the fields of education, natural sciences, social and human sciences, culture, and communication and information (hereinafter referred to as the “appointed members”).

Chairperson and  
Vice  
Chairperson of  
the Commission

**6.** (1) The Minister shall be the Chairperson of the Commission.

(2) The Secretary to the Ministry of the Minister shall be the Vice Chairperson of the Commission.

(3) The Chairperson and the Vice Chairperson shall hold office of the Commission, so long as he holds the office by virtue of which he has been appointed to the Commission.

(4) Where the Chairperson is temporarily unable to exercise, perform and discharge the powers, duties and functions of his office due to ill health, other infirmity, absence from Sri Lanka or any other cause, the Vice Chairperson may act as the Chairperson in addition to his normal duties as the Vice Chairperson.

7. A person shall be disqualified from being appointed or continuing as an appointed member of the Commission, if he -

Disqualifications  
for being  
appointed or  
continuing as a  
member of the  
Commission

- (a) is or becomes a member, of Parliament, any Provincial Council or any local authority;
- (b) is not, or ceases to be a citizen of Sri Lanka;
- (c) is a person who, having been declared an insolvent or a bankrupt under any law in Sri Lanka or in any other country, is an undischarged insolvent or bankrupt;
- (d) is under any law in force in Sri Lanka or any other country found or declared to be of unsound mind;
- (e) is serving or has served a sentence of imprisonment imposed by a court of Sri Lanka or any other country;
- (f) holds or enjoys any right or benefit under any contract made by, or on behalf of the Commission;
- (g) has any financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Commission; or
- (h) is absent from three consecutive meetings of the Commission without the permission of the Commission.



Terms of office  
of the appointed  
members of the  
Commission

**8.** Every appointed member of the Commission shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of three years from the date of his appointment and shall, unless he has been removed from office be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

Removal,  
resignation etc.  
of appointed  
members

**9.** (1) Any appointed member of the Commission may at any time, resign his office by letter in that behalf addressed to the Minister, and such resignation shall take effect from the date on which the resignation is accepted in writing by the Minister.

(2) The Minister may, for reasons assigned, remove any appointed member from office. An appointed member who has been removed from office shall not be eligible for re-appointment as a member of the Commission or to serve the Commission in any other capacity.

(3) In the event of the vacation of office by death, resignation or removal of any appointed member, the Minister shall subject to the provisions of section 5(b) appoint another person to fill such vacancy and such person shall hold office for the un-expired period of the term of office of the member whom he succeeds.

(4) Where any appointed member of the Commission is temporarily unable to perform the duties of his office on account of ill health or any other cause or if he is absent from Sri Lanka for a period of not less than three months, the Minister shall subject to the provisions of section 5(b) appoint any other person to act in place of such member during his absence.

(5) Where any appointed member of the Commission fails to attend three consecutive meetings of the Commission without notifying his absence in advance to the Commission, such member shall be deemed to have vacated his office and the Minister shall appoint another person to fill such vacancy subject to the provisions of section 5(b).

**10.** The Commission shall have the General Conference every year to deliberate and resolve the following matters of the Commission:-

General  
Conference of  
the Commission

- (a) recommend to the government on the UNESCO related activities including supporting, signing, ratification and adoption of the UNESCO conventions, agreements and major initiatives;
- (b) recommend and approve the strategic plan of the National Commission in line with the UNESCO's major programmes;
- (c) recommend and approve activities and budgets of the Secretariat and approval of annual action plan and the annual budget of the National Commission;
- (d) adoption of annual report and the responses to Auditor General's report;
- (e) monitor and evaluate the performance of the National Commission and recommend and approve incentives for the staff of the Secretariat;
- (f) delegation of powers to the Secretary-General of the National Commission as deemed necessary; and
- (g) make recommendations on study and consultative reports produced by the Secretariat.

**11.** (1) The *quorum* for any meeting of the Commission shall be not less than one third of its total membership and every meeting of the Commission shall be presided by the Chairperson. In the absence of the Chairperson from any meeting of the Commission, any member elected by the members present shall preside at such meeting of the Commission.

*Quorum* and the  
Meetings of the  
Commission

(2) A meeting of the Commission may be held -

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for the UNESCO Act, No. 38 of 2024*

- (a) by the number of members who constitute a *quorum* being assembled at the place, date and time appointed for the meeting; or
- (b) by means of audio - visual communication by which all members participating and constituting a *quorum* can simultaneously see and hear every participating member for the duration of the meeting; or
- (c) by the combination of both (a) and (b).

(3) All questions for decision at any meeting of the Commission shall be decided by the vote of the majority of the members present and voting at such meeting. In the case of an equality of votes, the Chairperson shall, in addition to his vote, have a casting vote.

(4) The Commission shall meet at least once in every year. However, special or extraordinary general meetings may be convened, if and when required by the Chairperson of the Commission.

Acts or proceedings of the Commission deemed not to be invalid by reason of any vacancy

**12.** The Commission may act, notwithstanding any vacancy among its members, and any act or proceeding of the Commission shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

Remuneration of members of the Commission

**13.** The members of the Commission shall be remunerated in such manner and at such rates as may be determined by the Minister with the concurrence of the Minister assigned the subject of finance.

Seal of the Commission

**14.** (1) The seal of the Commission –

- (a) shall be in the custody of such person as the Commission may decide from time to time;

- (b) may be altered in such manner as may be determined by the Commission; and
- (c) shall not be affixed to any instrument or document except with the sanction of the Commission and in the presence of two members of the Commission who shall sign the instrument or document in token of their presence.

(2) The Commission shall maintain a register of the instruments and documents to which the seal of the Commission has been affixed.

**15.** (1) The Commission may, on the recommendation of the Secretary-General, the appoint such number of National Committees, experts and consultants as it considers necessary or expedient to assist in the exercise, performance and discharge of the powers, duties and functions conferred on, assigned to or imposed on the Commission by this Act.

Establishment of  
the National  
Committees

(2) The National Committees appointed under subsection (1) shall be –

- (a) the UNESCO National Committee on Education;
- (b) the UNESCO National Committee on Natural Sciences;
- (c) the UNESCO National Committee on Social and Human Sciences;
- (d) the UNESCO National Committee on Culture;
- (e) the UNESCO National Committee on Communication and Information; and
- (f) the UNESCO intersectoral National Committee (falling within the UNESCO mandate).

(3) There shall be a Chairperson or Co-Chairpersons for each National Committee appointed by the Commission on the recommendation of the Secretary-General of the Commission.

(4) The members of the National Committees appointed under subsection (2), shall possess such qualifications and expertise in a particular field to effectively address the terms of reference of such relevant Committees.

(5) Every member of a National Committee shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of three years from the date of his appointment and shall, unless he has been removed from office, be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(6) In the event of the vacation of office by death, resignation or removal of any member, the Commission shall, on the recommendation of the Secretary-General, appoint another person to fill such vacancy and such person shall hold office for the unexpired period of the term of office of the member whom he succeeds.

(7) Where any member of a National Committee is temporarily unable to perform the duties of his office on account of ill health or any other cause or if he is absent from Sri Lanka for a period of not less than three months, the Commission on the recommendation of the Secretary-General shall appoint any other person to act in place of such member during his absence.

(8) Where any member of a National Committee fails to attend three consecutive meetings of a National Committee without notifying his absence in advance to the Commission, such member shall be deemed to have vacated his office and the Commission on the recommendation of the Secretary-General shall appoint another person to fill such vacancy.

(9) The members of every National Committee experts and consultants appointed under subsection (1), shall be paid such allowances and be reimbursed for any expenses incurred in connection with the carrying out of any duties assigned, as the Commission may determine with the concurrence of the Minister assigned the subject of Finance.

**16.** The duties and functions of the National Committees established under section 15 shall be to –

Duties and functions of the National Committees

- (a) advise and support the Commission to effectively implement the activities of the Commission and address any issue related to the UNESCO's areas of competence;
- (b) study, deliberate, resolve and make recommendations on national policy, position and implementation of international the UNESCO initiatives, conventions, programmes and items presented to the UNESCO General Conference and the Executive Board;
- (c) assist the Secretary-General guided by the UNESCO's strategic areas, programmes and documents to develop, implement and monitor Programmes and projects of the Commission in the relevant areas;
- (d) make recommendations on the annual action plan and budget of each specialised area covered by a National Committee; and
- (e) do any other activity in support of the UNESCO activities as may be decided by the Commission on the recommendation of the Secretary-General.

**17.** The Commission may, from time to time, appoint *ad hoc* committees for specified purposes consisting of such number of memberships of the Commission or other persons, or both with such powers, duties and functions as may be determined by the Commission.

Appointment of *ad hoc* Committees

PART II

ESTABLISHMENT OF THE SECRETARIAT AND THE APPOINTMENT OF THE  
SECRETARY-GENERAL, DEPUTY SECRETARY-GENERAL AND  
THE STAFF OF THE COMMISSION

Establishment of  
the Secretariat of  
the Commission

**18.** (1) There shall be established a Secretariat (hereinafter referred to as the “Secretariat”) to assume, alone or in collaboration with other bodies, the responsibility to implement all decisions, directives, operations and finances of the Commission and to initiate, support, implement, manage, monitor and evaluate all activities related to this Act.

(2) The Commission may in writing and subject to such conditions as may be specified therein, delegate to the Secretary-General of the Commission appointed under section 19, the powers, duties and functions conferred on the Commission under section 4 and the Secretary-General of the Commission shall exercise, perform and discharge such powers, duties and functions in the name and on behalf of the Commission.

(3) The Commission may, notwithstanding any delegation made under subsection (2), by itself exercise, perform or discharge any power, duty or function so delegated and may at any time revoke any such delegation.

Appointment of  
the Secretary-  
General of the  
Commission

**19.** (1) The Minister shall appoint a person who shall have not less than twenty years of academic or professional experience in the fields of education, natural sciences, social and human sciences, culture, communication and information or international relations, as the Secretary-General of the Commission (in this Act referred to as the “Secretary-General”).

(2) The Secretary-General shall be the Chief Executive Officer of the Commission and shall be responsible for planning, executing, managing and monitoring all operations and affairs on behalf of the Commission, through the Secretariat including—

- (a) providing a strategic vision and direction for the overall structure and operations of the Secretariat;
- (b) recruitment and management of staff to the cadre positions as approved by the Commission;
- (c) appointing such National Committees, *ad hoc* committees, experts and consultants in the UNESCO areas of competence with specific terms of reference to support activities and assignments of the Secretariat and recommend to the Commission on appropriate remuneration for the committee members, experts and consultants;
- (d) operational, administrative and financial management of the Commission;
- (e) the administration of the UNESCO Scholarship Fund established under the UNESCO Scholarship Fund Act, No. 44 of 1999;
- (f) the submission of the annual action plan and the annual budget prepared in accordance with the annual work programme of the Commission, assigned with the UNESCO's programmes and activities;
- (g) preparing of the manual of procedures and necessary revisions from time to time for the smooth functioning of the Commission and the Secretariat;



- (h) the management of the fund of the Commission;  
and
- (i) the administration and management of the property  
of the Commission.

(3) The Secretary-General shall be entitled to be present and speak at any meeting of the Commission, or any other Committee established under this Act.

(4) The Secretary-General may –

- (a) delegate any of the functions of the Secretary-General to the Deputy Secretary-General or any other officer of the Secretariat as seem appropriate for the smooth discharge of responsibilities;
- (b) with the approval of the Commission acquire and authorize such rights, privileges, powers, licenses and authorities as may be necessary for the performance and discharge of the duties and functions;
- (c) with the approval of the Commission enter into agreements with institutions whether in Sri Lanka or abroad having objects wholly or partly similar to those of the UNESCO and the Commission for collaborative activities and the exchange of technical personnel;
- (d) with the approval of the Commission and in consultation with the respective committees, nominate, support and fund suitable experts to attend the UNESCO meetings; and
- (e) collect, print and publish reports, periodicals, books and papers on subjects relevant to the UNESCO priorities.

(5) The Secretary-General may be paid such remuneration in such manner and at such rates as may be determined by the Minister with the concurrence of the Minister assigned the subject of finance.

**20.** (1) The Minister shall appoint a person who shall have not less than fifteen years of academic or professional experience in the fields of education, natural sciences, social and human sciences, culture, communication, administration or finance as the Deputy Secretary-General of the Commission (in this Act referred to as the “Deputy Secretary- General”).

Appointment of the Deputy Secretary-General of the Commission

(2) The Deputy Secretary-General shall assist the Secretary-General to exercise, perform and discharge the powers, duties and functions of the Commission and carry out the duties assigned by the Secretary-General.

(3) The Deputy Secretary-General shall function as the Secretary to the the UNESCO General Conference of the Commission.

(4) The Deputy Secretary-General may be paid such remuneration in such manner and at such rates as may be determined by the Minister with the concurrence of the Minister assigned the subject of finance.

**21.** (1) The Secretary-General and the Deputy Secretary-General shall hold office for a period of four years and shall be eligible for re-appointment for not more than one further term of office whether consecutive or otherwise.

Term of office of the Secretary-General and the Deputy Secretary-General

(2) The Minister may, for reasons assigned, remove the Secretary-General or the Deputy Secretary-General from office after considering and affording an opportunity to the Secretary-General or the Deputy Secretary-General as the case may be, to respond to any allegations made against them.

(3) The office of the Secretary-General and the Deputy Secretary-General shall become vacant upon the death, removal from office or resignation by letter addressed to the Minister.

(4) If any vacancy occurs in the office of the Secretary-General, the Minister may appoint the Deputy Secretary-General to perform the duties of the Secretary-General, until an appointment is made to such post.

Staff of the  
Commission

**22.** (1) The Secretary-General may, with the concurrence of the Commission, appoint such number of officers and employees as he may consider necessary for the efficient exercise and discharge of its powers and functions, with the prior written approval of the Department of Management Services.

(2) The Commission may, in respect of the officers and employees appointed under subsection (1), exercise disciplinary control over or dismiss such officers and employees and determine the terms and conditions of employment of such officers and employees.

(3) The officers and employees appointed to the Commission shall be remunerated in such manner and at such rates, in consultation with the Minister assigned the subject of finance and shall be subject to such conditions of service as may be determined by the Commission, in accordance with the provisions of this Act and the rules made thereunder.

(4) The Commission may establish and regulate provident fund schemes for the benefit of the officers and employees of the Commission who may be recruited outside of the government service and may make contributions to any such scheme.

(5) Where any person is temporarily appointed to the staff of the Commission under subsection (1) such person shall be subject to the same disciplinary control as any other member of the staff of the Commission.

**23.** (1) At the request of the Commission and with the concurrence of the Minister, any officer in the public service may, with the consent of that officer and of the Public Service Commission, be temporarily assigned to the staff of the Commission for such period as may be determined by the Commission with like consent, or be permanently appointed to such staff.

Appointment of public officers to the staff of the Commission

(2) Where any officer in the public service is temporarily assigned to the staff of the Commission, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to, and in relation to such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Commission, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply, to and in relation to such officer.

**24.** (1) At the request of the Commission, any officer or other employee of any higher educational institution established under the Universities Act, No. 16 of 1978 may, with the consent of that officer or the employee and the principal executive officer of that higher educational institution, be temporarily appointed to the staff of the Commission. Such appointment shall be for a period as may be determined by the Commission or with like consent be permanently appointed to such staff, on such terms and conditions including those relating to pension or provident fund rights, as may be agreed upon by the Commission and such principal executive officer.

Appointment of officers from higher educational institutions to the Commission

(2) Where any person is temporarily appointed to the staff of the Commission under subsection (1) such person shall be subject to the same disciplinary control as any other member of the staff of the Commission.

### PART III

#### FINANCE

Capital of the  
Commission

**25.** The initial capital of the Commission –

- (a) shall be such sum as may be determined by Parliament by resolution; and
- (b) may be increased by such amounts as may be authorized by an Appropriation Act or by any resolution of Parliament.

The Fund of the  
Commission

**26.** (1) The Commission shall have its own Fund.

(2) The Fund of the Commission shall comprise of -

- (a) all such sums of money as may be voted from time to time by Parliament;
- (b) all such sums of money as may be received by the Commission by way of interest on investments, donations, gifts or grants from any source whatsoever, whether within or outside Sri Lanka:

Provided however, the Commission shall obtain the prior written approval of the Department of External Resources of the Ministry of the Minister assigned the subject of Finance, in respect of all foreign grants, gifts or donations made and loans, donations, gifts, bequests and grants received from

any source within Sri Lanka shall be credited to the Consolidated fund and shall thereafter, with the approval of the Parliament, be credited to the Fund of the Commission;

- (c) all sums of money received as income from investments made by the Commission; and
- (d) all such money levied as fees and contributions.

(3) There shall be paid out of the Fund of the Commission -

- (a) all such sums of money as are required to defray any expenditure incurred by the Commission in the exercise, performance and discharge of its powers, duties and functions under this Act; and
- (b) all such sums of money as are required to be paid out of the Fund by or under this Act.

**27.** Any moneys belonging to the Commission may be invested by the Commission in such manner as may be deemed appropriate subject to such directions as may be given by the Minister.

Investment of the moneys of the Commission

**28.** (1) The financial year of the Commission shall be the calendar year.

Financial year and Audit of accounts of the Commission

(2) The Commission shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other transactions of the Commission.

(3) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to, and in relation to the audit of the accounts of the Commission.

PART IV

GENERAL

Directions of the  
Minister

**29.** (1) The Minister may, from time to time, give such general or special directions in writing to the Commission as to the exercise, performance and discharge of the powers, duties and functions of the Commission and it shall be the duty of the Commission to comply with such directions.

(2) The Minister may, from time to time, order all or any of the activities of the Commission or the Secretariate to be investigated and reported upon by such person or persons as he may specify, and upon such order being made, the Commission and the Secretariate shall afford all such facilities and furnish all such information to such person or persons as may be necessary to give effect to such Order.

Commission  
report to be  
placed before  
Parliament

**30.** The Commission shall, within a period of six months after the closure of each financial year, submit a report giving a full account of its activities during that year to the Minister who shall cause such report to be placed before Parliament, prior to the end of the year next following the year to which such report relates.

All members of  
the Commission  
etc. deemed to  
be public  
servants

**31.** All members of the Commission, officers and employees of the Commission shall be deemed to be public servants within the meaning and for the purpose of the Penal Code (Chapter 19).

Provisions of the  
Anti-Corruption  
Act, No.9 of  
2023 to be  
applied

**32.** The provisions of Chapter I of Part III under the Heading “Offences relating to Bribery or Corruption” of the Anti- Corruption Act, No. 9 of 2023, shall *mutatis mutandis* be deemed to be applicable to or in relation to, the provisions of this Act.

**33.** (1) Any expense incurred by the Commission in any suit or prosecution brought by or against the Commission before any court shall be paid out of the Fund of the Commission, and any costs paid to, or recovered by, the Commission in any such suit or prosecution shall be credited to the Fund of the Commission.

Protection for  
action taken  
under this Act or  
on the directions  
of the  
Commission

(2) Any expenses incurred by any person in any suit or prosecution brought against him before any court in respect of any act which is done by him under this Act, or on the direction of the Commission shall, if the court holds that such act was done in good faith, be paid out of the Fund the Commission, unless such expense is recovered by him in such suit or prosecution.

**34.** (1) The Commission may make rules in respect of – Rules

- (a) the appointment, employment and dismissal of various officers and their powers, duties and functions;
- (b) the procedure to be observed at the summoning and holding of meetings, annual general meeting and extraordinary meetings of the Commission;
- (c) the administration and management of the affairs of the Commission; and
- (d) all matters in respect of which, rules are required or authorized to be made under this Act.

(2) Every rule made under subsection (1) shall be approved by the Minister.

(3) Every rule approved by the Minister shall, within three months from its publication in the *Gazette*, be brought before Parliament for its notice.



## Regulations

**35.** (1) The Minister may make regulations in respect of all matters which are required by this Act to be prescribed or authorized to be made under this Act.

(2) Every regulation made by the Minister shall be published in the *Gazette*, and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

(3) Every regulation made by the Minister shall, within three months from its publication in the *Gazette*, be brought before Parliament for approval. Any such regulation, which is not so approved shall be deemed to be rescinded as from the date of disapproval, but without prejudice to anything previously done thereunder.

(4) Notification of the date on which any regulation is deemed to be rescinded under subsection (3), shall be published in the *Gazette*.

## Interpretation

**36.** In this Act, unless the context otherwise requires-

“expert” means a professional with specialised competence in any one of the areas of the UNESCO programmes;

“Minister” means the Minister assigned the subject of Education under Article 44 or 45 of the Constitution;

“UNESCO” means the United Nations Educational, Scientific and Cultural Organization;

“UNESCO system” means the UNESCO headquarters, regional offices, field offices, National Offices, liaison offices,

Commissions, Networks, Category 01 and Category 02 centers, UNESCO Heritage sites, Biosphere reserves, UNESCO Cities and UNESCO Clubs, Associations and Chairs and any other additions to the system by the UNESCO resolutions;

“UNESCO activities” means programmes, projects and all other activities carried out by the UNESCO system;

“Stakeholders of the Commission” means government institutions, semi-governmental institutions, Non-governmental Institutions, Statutory bodies, Private Institutions, Associations, international organizations, Individuals and Intellectuals engaged in the UNESCO areas of Competencies in Sri Lanka;

“UNESCO areas of competencies” means Educational, Scientific and Cultural, Social and Human Sciences and Communication and Information areas;

“UNESCO Programmes” means the UNESCO areas of competence and includes Education, Natural Sciences, Social and Human Sciences, Culture and Communication and Information.

**37.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SRI LANKA TELECOMMUNICATIONS  
(AMENDMENT) ACT, No. 39 OF 2024**

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**[Certified on 17th of July, 2024]**

*Printed on the Order of Government*

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*Sri Lanka Telecommunications (Amendment)*  
*Act, No. 39 of 2024*

[Certified on 17th of July, 2024]

L.D.—O. 9/2024

AN ACT TO AMEND THE SRI LANKA TELECOMMUNICATIONS  
ACT, No. 25 OF 1991

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- |  |   |
|--|---|
| <p><b>1.</b> This Act may be cited as the Sri Lanka Telecommunications (Amendment) Act, No. 39 of 2024.</p>  | Short title                                       |
| <p><b>2.</b> Section 4 of the Sri Lanka Telecommunications Act, No. 25 of 1991 (hereinafter referred to as the “principal enactment”) is hereby amended as follows:-</p> <ul style="list-style-type: none"><li>(1) by the substitution for the words “his powers” and “he considers”, of the words “its powers” and “it considers”, respectively;</li><li>(2) in paragraph (b) thereof, by the substitution for the word “operator” of the words “operator and provider”; and</li><li>(3) in paragraph (f) thereof, by the substitution for the word “operators” of the words “operators and providers”.</li></ul> | Amendment of section 4 of Act, No. 25 of 1991     |
| <p><b>3.</b> Section 5 of the principal enactment is hereby amended as follows: -</p> <ul style="list-style-type: none"><li>(1) in paragraph (b) thereof, by the substitution for the words “to operate telecommunication systems” of the words “to operators”;</li><li>(2) in paragraph (d) thereof, by the substitution for the words “an operator” of the words “an operator and a provider”;</li></ul>   | Amendment of section 5 of the principal enactment |

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                  *Act, No. 39 of 2024*

- (3) in paragraphs (g) and (h) thereof, by the substitution for the words “operator” and “operators”, of the words “operator and provider” and “operators and providers”, respectively;
- (4) in paragraph (k) thereof -
  - (a) by the substitution for the words “to determine in consultation with the Minister, the tariffs or methods for determining such tariffs,” of the words and figures “to approve or determine in consultation with the Minister, under section 6A the tariffs or methods for approving or determining such tariffs,”; and
  - (b) by the substitution for the word “operators” of the words “operators and providers”, wherever that word appear in that paragraph;
- (5) in paragraph (m) thereof, by the substitution for the words “operators of telecommunication systems” of the words “operators and providers”;
- (6) in paragraph (r) thereof, by the substitution for the words “operators” of the words “operators and providers”;
- (7) in paragraph (w) thereof, by the substitution for the words “unauthorized radio frequency emissions; and” of the words “unauthorized radio frequency emissions;”; and
- (8) by the insertion immediately after paragraph (w) thereof, of the following new paragraphs:-

- “(wa) to carry out market analysis in the provision of telecommunication services in order to examine the dynamics of a particular market to understand the level of competition in it;
- (wb) to intervene to prevent the emergence or abuse of significant market power;
- (wc) to take regulatory measures in order to promote fair competition and to eliminate anti competitive practices;
- (wd) to take such measures or issue such directives, which the Commission considers as appropriate and necessary for the achievement of social policy objectives for the sector, such as universal availability of specified minimum level of service; and”.

4. The following new section is hereby inserted immediately after section 6 of the principal enactment and shall have effect as section 6A of that enactment:-

Insertion of new section 6A in the principal enactment

“Commission to approve or determine tariff 6A. (1) The Commission shall approve or determine tariffs based on the following principles:-

- (a) tariffs shall be non-discriminatory; and
- (b) tariffs shall be oriented towards cost, in general cross subsidies shall be eliminated.

(2) An operator or provider may propose tariffs or adjustments to tariffs subject to paragraphs (a) and (b) of subsection (1).

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(3) Where an operator or a provider proposes tariffs or adjustment of tariffs, the Commission may approve or reject such tariffs or adjustment of tariffs subject to subsection (1), taking into consideration –

- (a) the government policy and industry requirements; and
- (b) the facilities or services provided by the operator or provider to the particular class of users or in a particular area:

Provided however, the Commission may partially approve a proposed tariff or an adjustment to tariffs proposed by an operator or a provider or grant such approval subject to such conditions imposed by the Commission.

(4) The Commission may determine to forbear any tariff of any service in whole or a part of such tariff, subject to such conditions or without conditions.

(5) The Commission may, in consultation with the Minister, by way of rules make provision for a special tariff plan which shall include manner of setting, reviewing, publishing and approving adjustments of tariff generally or for any particular telecommunication service provided by an operator or a provider.

(6) An operator or a provider shall not provide any telecommunication service without obtaining approval to a tariff plan from the Commission under this section.



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(7) Every operator or provider who contravenes the provisions of subsection (6) commits an offence and shall be liable on conviction by a Magistrate to a fine not exceeding ten million rupees or to an imprisonment of either description for a term not exceeding one year or to both such fine and imprisonment.”.

**5.** Section 7 of the principal enactment is hereby amended by the substitution for the word “operator” of the words “operator or the provider, as the case may be”, wherever that word appears in that section.

Amendment of section 7 of the principal enactment

**6.** Section 8 of the principal enactment is hereby amended by the substitution for the words “every operator” of the words “every operator and provider”.

Amendment of section 8 of the principal enactment

**7.** Section 9 of the principal enactment is hereby amended as follows:-

Amendment of section 9 of the principal enactment

(1) in subsection (1) thereof, by the substitution for the words “an operator,” of the words “an operator or a provider,”; and

(2) in subsection (2) thereof, by the substitution for the words “such operator” of the words “such operator or provider”.

**8.** The following new section is hereby inserted immediately after section 9 of the principal enactment and shall have effect as section 9A of that enactment:-

Insertion of new section 9A in the principal enactment

“Resolution of disputes on anti-competitive practices, etc.      9A. (1) The Commission shall, on its own motion or on a complaint or request made to the Commission by any person with respect to-

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- (a) the existence or the construed existence of any anti-competitive practice;
- (b) the acquisition, existence or construed existence of an abuse of a dominant position (significant market power) which may affect the conditions in one or more markets in which an operator or provider operates a telecommunication service;
- (c) the creation or construed creation of a merger situation; or
- (d) not having the right of access market network at fair, cost based and non-discriminatory terms and conditions,

carry out an investigation as in the manner it may deem necessary.

(2) The Commission shall give any operator or provider, who is the subject of an investigation commenced under subsection (1), an opportunity of being heard and of producing any documentary evidence.

(3) Where upon investigation the Commission is satisfied that any one of the situations specified in paragraph (a), (b), (c), or (d) exists, but such situation does not operate or is not likely to operate against public interest, the Commission shall, by order made in that behalf, authorize the existence of such

situation subject to such terms and conditions as it may consider necessary or expedient for the purpose of remedying or preventing the resulting adverse effects, if any, on other operators or providers in the market wherein any one of the situations specified in paragraph (a), (b), (c), or (d) exists.

(4) Where upon investigation the Commission finds that any one of the situations specified in paragraph (a), (b), (c), or (d) exists and such situation operates or is likely to operate against public interest, the Commission shall make an appropriate order abating the existence of any such situation and for the purpose of remedying or preventing the resulting adverse effects thereof.

(5) Where upon investigation, the Commission finds that any one of the situations specified in paragraph (a), (b), (c), or (d) exists, the Commission may, where necessary, issue an appropriate order other than the orders referred to in subsections (3) and (4) having regard to the provisions of subsection (2).

(6) Rules may be made in respect of the following:-

- (a) to impose specific obligations on operators and providers with significant market power as may be defined by the Commission, with a view of promoting fair competition, preventing market distortions and safeguarding consumer interests; and

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- (b) to facilitate non-discriminatory access and to ensure equal opportunities to all operators and providers.”.

Amendment of section 10 of the principal enactment

**9.** Section 10 of the principal enactment is hereby amended by the insertion immediately after subsection (1) thereof, of the following new subsections:-

“(1A) The Commission shall have the power to –

- (a) divide and allocate any part of the radio frequency spectrum into number of bands based on the International Telecommunication Union policies and guidelines or international best practices, in the best interest of the efficient management of the frequency spectrum and specify the service or purpose for which each band may be used;
- (b) specify frequency channel plans; and
- (c) assign the radio frequency or any band of radio frequencies to users of radio communication apparatus in the manner provided in section 22.

(1B) The Commission may issue to any person who intends to obtain a licence for any purpose specified under section 22, a frequency reservation permit for a period specified by the Commission on a payment of a fee subject to the right of cancellation and such other terms and conditions as may be determined by the Commission by rules made in that behalf.”.

Insertion of new section 10A in the principal enactment

**10.** The following new section is hereby inserted immediately after section 10 of the principal enactment and shall have effect as section 10A of that enactment:-

“Commission to be the sole authority on allocation of and use of numbers etc.

10A. (1) The Commission shall be the sole authority vested with the power to manage the use of numbers, names, codes and identifiers.

(2) The Commission shall be responsible for promoting the efficient allocation of numbers, names, codes and identifiers under subsection (1).

(3) The Commission shall have the power to prepare, specify, publish, and administer the plans for the use of numbers, names, codes, and identifiers, including the power-

- (a) to assign numbers, a block or blocks of numbers, codes, and names in accordance with respective plans;
- (b) to grant approval to lease or sell the right to use a number, a block or blocks of numbers or codes;
- (c) to amend the plans for numbering, names, codes and identifiers so prepared;
- (d) to make rules-
  - (i) for specifying charges for using numbers, a block or blocks of numbers, codes and names so assigned;
  - (ii) relating to managing of numbers, names, codes, and identifiers in the respective plans; and

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- (iii) for determining conditions relating to the withdrawal of numbers, block or blocks of numbers, codes, and name assigned under this section; and
- (e) to issue directions to any person to-
  - (i) submit information on the utilization of numbers, names, codes, and identifiers allocated under this section; and
  - (ii) adhere to the respective plan for the use of numbers, names, codes and identifiers.

(4) The Commission shall have the power to implement number portability and issue rules, guidelines and directions to operators for such implementation.

(5) The Commission may withdraw numbers, codes, a block or blocks of numbers, code or codes of numbers allocated under this section by giving prior notice in writing to the person to whom such allocation was made after affording an opportunity to such person to make representations.”.

Amendment of  
section 11 of  
the principal  
enactment

**11.** Section 11 of the principal enactment is hereby amended as follows:-

- (1) in subsection (1) thereof, by the substitution for the words and figures “authorized by a licence under section 17 to operate a telecommunication system” of the words and figures “issued with a licence under section 17 or under section 17B”;

- (2) in subsections (4) and (5) thereof, by the substitution for the word “operator” of the words “operator and provider”; and
- (3) by the addition, immediately after subsection (5) thereof, of the following new subsections:-

“(6) Where a person issued with a licence under section 17 or under section 17B, fails to comply with an order issued under subsection (2), the Commission may by notice require such person to pay a penalty of an amount not exceeding one *per centum* of the annual turnover of the year immediately preceding the year concerned, accrued from the activity authorized by such licence.

(7) The Commission shall be responsible for the collection of a penalty imposed under this section and the money so collected shall be credited to the Fund of the Commission established under section 22F.

(8) If any person who has become liable to a penalty in terms of subsection (6) fails to pay such penalty, within such period as may be specified in such notice, the Commission may make an *exparte* application to the Magistrate Court of the competent jurisdiction for an order requiring the payment of the penalty recovered in a like manner as a fine imposed by such court notwithstanding such sum may exceed the amount of fine which that court may, in the exercise of its ordinary jurisdiction impose.

(9) Where a penalty is imposed under this section on a body of persons, then—

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- (a) if that body of persons is a body corporate, every person who at the time of non-compliance under subsection (6) was a director, and any other officer responsible for the management and control of that body corporate;
- (b) if that body of persons is a firm, every partner of that firm; or
- (c) if that body is not a body corporate, every person who at the time of non-compliance of requirements under subsection (6) was the officer responsible with management and control of that body,

shall be liable to pay such penalty, unless he proves that he had no knowledge of the failure to comply with the requirement under subsection (6) or that he exercised all due care and diligence to ensure the compliance therewith.

(10) A person who is aggrieved by the imposition of a penalty under this section, may appeal against such order to the High Court established by Article 154P of the Constitution.

(11) Any person who prefers an appeal under subsection (10) shall deposit in cash as a security such sum of money equal to the penalty imposed under subsection (6) before the registrar of the High Court.”.



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**12.** Section 17 of the principal enactment is hereby amended as follows:-

Amendment of section 17 of the principal enactment

- (1) in paragraph (b) of subsection (6) thereof, by the substitution for the words “revoked in accordance with any terms in that behalf contained in the licence” of the words and figures “revoked in terms of the provisions of section 17A”; and
- (2) by the addition immediately after subsection (9) thereof, of the following new subsection:-

“(10) The Commission shall have the power to issue directions to any operator to whom a licence has been issued under this section to share the use, with another operator specified by the Commission any infrastructure owned or used by such operator including any radio access network, subject to such terms and conditions specified by regulations made under this Act.”.

**13.** The following new sections are hereby inserted immediately after section 17 of the principal enactment and shall have effect as sections 17A and 17B of that enactment:-

Insertion of new sections 17A and 17B in the principal enactment

“Revocation of a licence issued under section 17

17A. (1) A licence issued under section 17 may be revoked by the Minister assigning reasons therefor, on the breach of terms and conditions of the licence.

(2) The Minister shall by Order published in the *Gazette* specify the date of such revocation (not being a date earlier than thirty days from the date of publication of the Order)

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and the reasons for the revocation shall be informed to the relevant operator through the Commission fifteen days prior to the date of the revocation.

(3) The Order referred to in subsection (2) shall also specify the interim arrangement made for operating the telecommunication system in respect of which the licence was issued to the operator thereof has been revoked under this section.

(4) Where the Minister revokes a licence under section 17, the licensee may within a period of thirty days from the date of the communication to him the decision of the Minister appeal against such revocation to the Court of Appeal which may confirm or set aside the decision of the Minister.

Prohibition  
to engage in  
certain  
activities  
without a  
licence

17B. (1) A person shall not engage in the following activities except under the authority of a licence issued by the Commission in that behalf:-

- (a) providing infrastructure services specified by rules, required for operating a telecommunication system;
- (b) providing telecommunication services specified by rules; or
- (c) providing cable landing station facilities.

(2) For the purpose of paragraph (c) of subsection (1), the facilities shall include submarine cables laid within the territorial waters of Sri Lanka.

(3) The charges for cable landing station facilities including access to the submarine cables shall be approved or determined by the Commission.

(4) A licence issued under subsection (1) shall be-

(a) in such form and on payment of such fee as may be determined by the Commission; and

(b) required to conform to such technical standards as may be determined by the Commission from time to time by rules made under this Act.

(5) Any person who engages in any activity specified in paragraph (a) or (b) of subsection (1) without obtaining a licence under subsection (1), commits an offence under this Act.

(6) The Commission may, at any time revoke a licence granted under this section on the failure by the licensee to comply with the technical standards he was required to conform to.

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(7) Where the Commission refuses an application for a licence under subsection (1) or revokes a licence under subsection (6), the applicant or the licensee, as the case may be, within a period of thirty days from the date of the communication to him the decision of the Commission may appeal against such refusal or revocation, as the case may be, to the Court of Appeal which may confirm or set aside the decision of the Commission.

(8) Rules shall be made under this Act to specify-

- (a) the manner of making an application for a licence under subsection (1);
- (b) requirements to be fulfilled by an applicant to make an application for each category of licence under subsection (1); and
- (c) period of validity and the manner of renewal of a licence.”.

Amendment of  
section 18 of the  
principal  
enactment

**14.** Section 18 of the principal enactment is hereby amended as follows:-

- (1) by the substitution for the words “modification of any condition of a licence” of the words “modification of a licence”, wherever those words appear in that section;

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- (2) by the addition immediately after subsection (3) thereof, of the following new subsection:-

“(4) The Commission may modify any licence issued under section 17B if such modification is deemed necessary for the efficient implementation of the provisions of this Act or any regulation or rule made thereunder.”; and

- (3) in the marginal note thereof, by the substitution for the word and figures “section 17.” of the words and figures “sections 17 and 17B.”.

**15.** Section 18A of the principal enactment is hereby amended as follows:-

Amendment of  
section 18A of  
the principal  
enactment

- (1) in subsection (1) thereof, by the substitution for the words “without obtaining the prior approval of the Commission.” of the words “except with a provider licence issued by the Commission under section 17B.”;
- (2) by the repeal of subsections (2) and (3) thereof and the substitution therefor of the following subsection:-

“(2) Where a provider requests the operator to use the telecommunication system, the operator shall permit such provider to use such telecommunication system including wholesale services subject to the provisions of this Act.”; and

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- (3) in subsection (4) thereof, by the substitution for the words “ten thousand rupees” of the words “one hundred thousand rupees”.

Insertion of new section 20A in the principal enactment

**16.** The following new section is hereby inserted immediately after section 20 of the principal enactment and shall have effect as section 20A of that enactment:-

“Interconnection of telecommunication systems

20A. (1) The Commission may require an operator to enter into an agreement with another operator for the interconnection between their telecommunication systems, in the circumstances where the Commission deems that interconnection is necessary for the provision of efficient telecommunication service or for the public interest.

(2) It shall be the duty of the operators required by the Commission under subsection (1) to enter into an agreement for interconnection between their telecommunication systems, to provide access to the telecommunication systems, telecommunication services and telecommunication apparatus of each other.

(3) The terms and conditions to be incorporated in an interconnection agreement shall be negotiated in accordance with the terms and conditions of the respective licences issued to the operators to such interconnection agreement, and shall further provide for the following:-

- (a) conditions of the interconnection agreement shall conform with the conditions of the respective licences issued to each operator who is a party to the interconnection agreement;
- (b) consumers connected to the telecommunication system of one operator shall have access to the telecommunication system of other operator who is a party to the interconnection agreement;
- (c) operators who are parties to the interconnection agreement shall maintain the same level of quality in their respective telecommunication systems;
- (d) interconnection arrangement shall be efficient and fair and the parties to an interconnection agreement shall ensure that services are supplied on non-discriminatory basis with regard to capacity, interfaces and technical standards;
- (e) the terms and conditions subject to which interconnected services are provided shall reflect internationally accepted best practices;
- (f) interconnection services shall ensure effective and sustainable competition; and

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- (g) interconnection rates for services shall be cost oriented and be subject to the methodology determined by the Commission.

(4) The Commission may stipulate the terms and conditions to be incorporated in an interconnection agreement if necessary.

(5) If the Commission is satisfied that the parties to an interconnection agreement under this section have resorted to an anti-competitive practice in contravention of the respective licences issued under this Act or receives a complaint from a third party to that effect, the Commission shall, after giving reasonable notice to the parties to the interconnection agreement commence an investigation into the same.

(6) The Commission shall give the parties to the interconnection agreement, who is the subject of an investigation commenced under subsection (5), an opportunity of being heard and of producing any documentary evidence.

(7) Where upon investigation, the Commission is satisfied that an anti-competitive practice exists, the Commission may issue directions to the parties to the interconnection agreement to take such steps as the Commission deems it necessary to avoid such anti-competitive practice and make recommendations to amend the interconnection agreement to that effect.



(8) Where any operator fails to comply with the requirement imposed by the Commission under subsection (1), any other operator who seeks access to the telecommunication system, telecommunication services and telecommunication apparatus of such operator may inform the Commission in respect of such failure and the Commission shall, within thirty working days of the receipt of such information, determine, in consultation with both operators, the terms and conditions of the proposed interconnection agreement including the access to interconnection services and charges to be levied for such service.

(9) The determination made under subsection (8) by the Commission shall be binding on the operators proposed to be entered into an interconnection agreement under this section.

(10) Any operator who fails to comply with determination made under subsection (8) by the Commission commits an offence and shall be liable to a fine not exceeding ten million rupees and in the event of the offence being committed continuously, to an additional fine of three hundred thousand rupees for each day on which the offence is so committed after conviction.

(11) Any operator who is aggrieved by the determination under subsection (8), may appeal against such determination to the Court of Appeal within thirty days from the date of such determination.

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*Act, No. 39 of 2024*

(12) The Commission may make rules for -

- (a) stipulating the terms and conditions to be incorporated in an interconnection agreement;
- (b) determining methodology relating to interconnection rates for services; and
- (c) issuing guidelines and directions to the parties to the interconnection agreement to implement the interconnection agreement.”.

Amendment of  
section 21 of the  
principal  
enactment

**17.** Section 21 of the principal enactment is hereby amended as follows:-

- (1) in subsection (1) thereof, by the substitution for the word “import,” of the words “import, export,”; and
- (2) in subsection (5) thereof, by the substitution for the words commencing from “to a fine not exceeding ten thousand rupees” to the end of that subsection of the words “to a fine not exceeding one million rupees or to an imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment and in the event of the offence being committed continuously, to a fine of one thousand five hundred rupees for each day on which the offence is so committed after conviction.”.

Amendment of  
section 22 of the  
principal  
enactment

**18.** Section 22 of the principal enactment is hereby amended as follows:-

- (1) in subsection (1) thereof, by the substitution for the words “use any radio frequency or radio frequency emitting apparatus” of the words “use any radio frequency or use or possess any radio frequency emitting apparatus”;
- (2) in paragraph (b) of subsection (2) thereof, by the substitution for the words “as may be determined by the Commission by rules made in that behalf:” of the words “as may be prescribed.”;
- (3) by the insertion immediately after subsection (2) thereof, of the following new subsection:-

“(2A) A licence issued under subsection (1) shall specify the service or services or purpose for which such radio frequency or radio frequency emitting apparatus are used and the period of the validity of such licence.”;

- (4) by the repeal of subsection (3) thereof, and the substitution therefor of the following subsection:-

“(3) The Commission shall have power to revoke any licence issued under subsection (1) on the breach of any condition or restriction to which it is subject to or in the event of any default in the payment of any consideration payable thereunder or on the failure of the licensee to comply with any regulation for the time being in force under this Act relating to the same.”;

- (5) by the insertion immediately after subsection (3) thereof, of the following new subsections:-

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*Act, No. 39 of 2024*

“(3A) In the overall planning and management of radio frequency spectrum, the Commission shall have power to-

- (a) direct any person to whom a licence has been issued under subsection (1) to comply with and to implement new technologies for the efficient use of radio frequency spectrum in the public interest; and
- (b) vary any radio frequency after giving written notice to the relevant person prior to a reasonable period of such variation and giving reasons therefor.

(3B) Any person who is aggrieved by the variation of the radio frequency referred to in paragraph (b) of subsection (3A) may appeal to the Commission within three weeks from the receipt of such notice referred to in that paragraph.

(3C) The Commission shall, after giving such aggrieved person a fair hearing on any objection to such variation communicate its decision to the person who made an appeal to the Commission within three weeks from the date of receipt of such appeal.

(3D) The Commission may consider payment of any compensation to the relevant person whose radio frequency has been varied under paragraph (b) of subsection (3A).”;

- (6) by the insertion immediately after subsection (4) thereof, of the following new subsections:-

“(4A) Any person who is aggrieved by the decision referred to in subsection (3c) of this section may appeal to the Court of Appeal within one month from the date of communication of the decision of the Commission.

(4B) The Court of Appeal may grant any interim relief to such aggrieved person pending the final determination of the appeal.”;

- (7) in subsection (5) thereof, by the substitution for the words “A person uses” of the words and figure “Save as provided for in subsection (6), a person who uses”; and
- (8) by the addition immediately after subsection (5) thereof, of the following new subsections:-

“(6) Notwithstanding the preceding provisions of this section, the Commission may, in the public interest and in order to promote the common use of any radio frequency exempt by rules made in that behalf, any person or class of persons from having to obtain a licence for the use or possession, establishment or installation of any radio frequency emitting apparatus either absolutely or subject to such terms, conditions and restrictions as may be imposed under such rules.

(7) The Commission may adopt the competition-based methodology in assigning radio frequencies and such methodology shall be promulgated by regulations made under this Act as and when required.”.

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*Act, No. 39 of 2024*

Amendment of  
section 22A of  
the principal  
enactment

**19.** Section 22A of the principal enactment is hereby amended as follows:-

- (1) in subsection (1) thereof, by the substitution for the words “cabling work in any premises” of the words “cabling work in any premises, over or under the land, roads or territorial waters of Sri Lanka,”; and
- (2) by the repeal of subsection (3) thereof and the substitution therefor of the following subsection:-

“(3) The Commission may, at any time revoke or suspend any licence granted under this section-

- (a) on the breach of any term or condition of the licence by the licensee;
- (b) on the failure by the licensee to pay the fee determined by the Commission under paragraph (a) of subsection (2);
- (c) on the failure by the licensee to comply with the provisions of the Act or any regulation or rule made thereunder; or
- (d) where such revocation or suspension is deemed to be necessary in the public interest or in the interest of national security.”.

Insertion of new  
sections 22AA  
and 22AB in the  
principal  
enactment

**20.** The following new sections are hereby inserted immediately after section 22A of the principal enactment and shall have effect as sections 22AA and 22AB of that enactment:-

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“Responsibility of the Commission to protect submarine cables” 22AA. (1) The Commission shall, with the assistance of the Sri Lanka Navy, the Department of Coast Guard and Sri Lanka Police, monitor, manage and protect the submarine cables laid within the territorial waters of Sri Lanka connected with the provision of any telecommunication service under this Act, subject to the advice of the National Submarine Cable Protection Committee established under subsection (2) of this section.

(2) There shall be established a committee called and known as the National Submarine Cable Protection Committee (in this section and section 22AB referred to as the “Committee”) consisting of the following members:-

- (a) the Director-General of the Commission who shall be the Chairman of the Committee;
- (b) an officer of the Sri Lanka Navy nominated by the Commander of the Navy;
- (c) a Coast Guard Officer of the Coast Guard Department nominated by the Director-General of such Department;
- (d) a police officer of the police force nominated by the Inspector General of Police;
- (e) an officer of the Customs nominated by the Director-General of Customs appointed under section 2 of the Customs Ordinance (Chapter 235);

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- (f) an officer not below the rank of Senior Assistant Secretary to the Ministry of the Minister assigned the subject of the Fisheries and Aquatic Resources nominated by the Secretary to such Ministry;
- (g) an officer of the Marine Environment Protection Authority established by the Marine Pollution Prevention Act, No. 35 of 2008 nominated by the General Manager of such Authority;
- (h) an officer of the Central Environmental Authority established by the National Environmental Act, No. 47 of 1980, nominated by the Director-General of such Authority;
- (i) the providers issued with licences under paragraph (c) of subsection (1) of section 17B to operate a cable landing station; and
- (j) an officer nominated by the Director-General of Merchant Shipping appointed under section 3 of the Merchant Shipping Act, No. 52 of 1971.

(3) The Committee shall have the following powers and functions:-

- (a) to advise the Commission in the monitoring, management and protection of the submarine cables laid within the territorial



waters of Sri Lanka connected with the provision of any telecommunication service under this Act;

- (b) to make recommendations to the Minister in formulations of policies regarding protection and resilience of submarine cables and submarine cable landing stations; and
- (c) to exercise or discharge any other powers or functions as may be prescribed.

Protection zone to be declared by the President

22AB. (1) The President may, by proclamation published in the *Gazette*, on the recommendations made by the Minister, declare any zone of the sea adjacent to the territorial waters including exclusive economic zones, to be the protection zone (hereinafter referred to as the “protection zone”) in relation to a submarine cable and submarine cable landing station.

(2) The Minister shall, prior to making recommendations under subsection (1), obtain the recommendations of the Committee in respect of such matter.

(3) Where any operator requests the Minister to declare any zone as a protection zone under subsection (1), the Minister shall obtain the recommendations of the Committee and submit his recommendations to the President.

(4) Where the President refuses to declare such zone as a protection zone, the Minister shall cause to be informed of such decision to the relevant operator.

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(5) An operator who is aggrieved by the decision of the President may appeal to the Minister within forty five days from the date of such decision.

(6) The Minister shall, in consultation with the Committee, make his recommendations on the appeal to the President, and the President may make decision on the appeal within forty five days from the date of receipt such appeal. The decision of the President made under this subsection shall be final and conclusive.

(7) A proclamation made under subsection (1), may be revoked or varied by the President in like manner.”.

Amendment of  
section 22F of  
the principal  
enactment

**21.** Section 22F of the principal enactment is hereby amended in subsection (2) thereof as follows:-

- (1) in paragraph (c) thereof, by the substitution for the words and figures “section 22G; and” of the word and figures “section 22G;”; and
- (2) by the insertion immediately after paragraph (c) thereof, of the following paragraph:-

“(ca) all such sums of money collected as penalty imposed by the Commission under section 11; and”.

Amendment of  
section 22G of  
the principal  
enactment

**22.** Section 22G of the principal enactment is hereby amended in subsection (1) thereof, by the substitution for the words “the operator.” of the words “the operator or the provider.”.

23. The following new Part is hereby inserted immediately after section 22J of the principal enactment and shall have effect as Part IIc of that enactment:-

Insertion of new Part IIc in the principal enactment

“PART IIc

IMPOSITION OF SURCHARGE ON LICENCE FEE AND CESS

Commission to impose surcharge on the default of payment of any licence fee or cess under this Act

22k. (1) Where any operator, provider or licensee, who has been issued with a licence under section 17, 17B, 21 or 22, as the case be, has failed to pay any fee required to be paid in terms of those sections on or before the date specified by the Commission to make such payment, or an operator or provider who has failed to pay any cess required to be paid by an order made under section 22G, on or before the due date specified in the licence issued under section 17 or 17B, such operator, provider or licensee, as the case may be, shall be liable to pay a surcharge on the amount in default, at the rate of ten *per centum* of the default amount for the first month and additional two *per centum* per each subsequent month.

(2) The Commission shall issue a notice to each person in respect of whom the surcharge is to be imposed specifying the following details:-

- (a) the reasons for surcharging;
- (b) the amount in default and the surcharge decided thereon;

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- (c) the action contemplated for its recovery;
- (d) the date on or before which the amount specified under paragraph (b) is to be paid; and
- (e) the details of the manner in which payment shall be made.

Proceedings  
for recovery  
before a  
Magistrate

22L. (1) Where any sum to be charged under section 22k has not been paid within the time specified in the notice under subsection (2) of section 22k and where the Commission is satisfied that immediate action is necessary for the recovery of such sum, the Commission may issue a certificate containing particulars of such sum to be recovered and the name and last known place of employment or residence of the person liable to pay such sum, to the Magistrate Court of the competent jurisdiction.

(2) (a) The Magistrate shall thereupon summon such person who is liable to pay the amount in default, to show cause as to why further proceedings for the recovery of the sum to be recovered shall not be taken against him.

(b) Where the person who is liable to pay the amount in default fails to show sufficient

cause, the sum to be recovered shall be deemed to be a fine imposed by a sentence of the Magistrate on such person who is liable to pay the amount in default for an offence punishable with fine only and not punishable with imprisonment.

(3) The certificate issued by the Commission shall be conclusive proof that the sum to be recovered has been duly assessed and is in default in any proceeding before the Magistrate under subsection (1).

(4) The provisions of Chapter XXIV of the Code of Criminal Procedure Act, No. 15 of 1979, shall *mutatis mutandis* apply in relation to the default of payment of a fine, and in addition the Magistrate may make any direction which, he could have made at the time of imposing such sentence.”.

**24.** Sections 33, 34 and 35 of the principal enactment are hereby amended by the substitution for the word “operator” of the words “operator or provider”, wherever that word appears in those sections.

Amendment of sections 33, 34 and 35 of the principal enactment

**25.** The following new sections are hereby inserted immediately after section 35 of the principal enactment and shall have effect as sections 35A and 35B of that enactment:-

Insertion of new section 35A and 35B in the principal enactment

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“Sharing of  
infrastructure  
facilities or  
resources

35A. (1) It shall be the duty of the Mayor or Chairman of a local authority or the Board of Directors or the Management of a public corporation or other body, to assist any operator or provider, on the request made by such operator or provider, subject to the provisions of this Act, for sharing any infrastructure facility or resource owned or possessed by such local authority, public corporation or body and specified by rules made under this Act, for the purpose of providing a telecommunication service by means of a telecommunication system such operator is licensed to operate or, providing other service or facilities or resources such provider is licensed to provide, under this Act.

(2) Rules shall be made under this Act to regulate the implementation of the provisions of this section.

Sharing of  
facilities or  
resources by  
operators

35B. (1) The Commission may, in the public interest, direct in writing to any operator to coordinate and cooperate with another operator to share the use of any facility or resource including radio access network owned or used by such operator.

(2) Prior to issuing the direction under subsection (1), the Commission shall provide reasonable opportunity for both such operators to make representations, in order to facilitate the sharing of such facility or resource in an efficient manner.

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(3) The Commission shall make rules to regulate the implementation of the provisions of this section.”.

**26.** Sections 36 and 37 of the principal enactment are hereby amended by the substitution for the word “operator” of the words “operator or provider”, wherever that word appears in those sections.

Amendment of sections 36 and 37 of the principal enactment

**27.** Section 38 of the principal enactment is hereby amended as follows:-

Amendment of section 38 of the principal enactment

- (1) by the substitution for the word “operator” of the words “operator or provider”; and
- (2) in paragraph (b) of subsection (1) thereof, by the substitution for the word and figures “section 36,” of the words and figures “section 35A or section 36,”.

**28.** Sections 39 and 40 of the principal enactment are hereby amended by the substitution for the word “operator” of the words “operator or provider”, wherever that word appears in those sections.

Amendment of sections 39 and 40 of the principal enactment

**29.** Section 44 of the principal enactment is hereby amended as follows:-

Amendment of section 44 of the principal enactment

- (1) by the repeal of subsection (1) thereof and the substitution therefor of the following subsection:-

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“(1) Every person guilty of an offence under subsection (1) of section 19 and section 22 shall be liable on conviction by a Magistrate to a fine not less than fifty thousand rupees and not exceeding ten million rupees or to an imprisonment of either description for a term not less than six months and not exceeding three years or to both such fine and imprisonment and in the event of the offence being committed continuously, to a fine of two thousand rupees for each day on which the offence is so committed after conviction.”; and

- (2) by the insertion immediately after subsection (1) thereof, of the following new subsections:-

“(1A) In addition to the penalty imposed under subsection (1), the Magistrate may make an order to confiscate all telecommunication apparatus used in the commission of the offence under subsection (1) of section 19.

(1B) Every person guilty of an offence under subsection (5) of section 17B shall be liable on conviction by a Magistrate to a fine not exceeding five million rupees or to an imprisonment of either description for a term not exceeding three years or to both such fine and imprisonment and in the event of the offence being committed continuously, to a fine of ten thousand rupees for each day on which the offence is so committed after conviction.”.



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**30.** The following new sections are hereby inserted immediately after section 46 of the principal enactment and shall have effect as sections 46A, 46B and 46C of that enactment:-

Insertion of new sections 46A, 46B and 46C in the principal enactment

“Interference, etc. to telecommunication system      46A. Every person who willfully interferes with, disrupts or disturbs any telecommunication system in respect of which a licence has been issued under section 17 or any radio frequency emitting apparatus in respect of which a licence has been issued under section 22 commits an offence and shall on conviction by a Magistrate be liable to a fine not exceeding five million rupees.

Deceiving or misleading persons using a telecommunication system      46B. Every person who, with the intention of misrepresenting, deceiving or misleading any other person omits, changes or modifies the calling party number or introduces any other calling party number other than his own number commits an offence and shall on conviction by a Magistrate be liable to a fine not exceeding ten million rupees and to imprisonment of either description for a term not less than one year and not exceeding three years or to both such fine and imprisonment.

Providing false information as to the identity of user to obtain telecommunication service      46 c. Every person who, willfully provides false information as to the identity of user to obtain telecommunication service commits an offence and shall on conviction be liable to a fine not less than one hundred thousand rupees and not exceeding one million rupees and to

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imprisonment of either description for a term not less than one year and not exceeding three years or to both such fine and imprisonment.”.

Replacement of section 47 of the principal enactment

**31.** Section 47 of the principal enactment is hereby repealed and the following section is substituted therefor:-

“Penalty for intentionally damaging or tampering with telecommunication installation

47. Every person who, with the intention of-

- (a) preventing or obstructing the transmission or delivery of any message, telecommunication service or data; or
- (b) interrupting or acquainting himself with the contents of, any message or data; or
- (c) transmitting any message or data which he has no authority to transmit; or
- (d) committing mischief or any act of vandalism,

damages, removes or tampers with any submarine cable, submarine cable landing station or telecommunication installation line, post or other thing whatever being part of or used in or about any telecommunication system or submarine cable in the provision of any service within Sri Lanka or outside the exclusive economic zone of Sri Lanka, by

means thereof commits an offence and shall be liable on conviction to a fine not exceeding one hundred million rupees or to imprisonment of either description for a term not exceeding ten years or to both such fine and such imprisonment.”.

**32.** Section 59 of the principal enactment is hereby amended as follows:-

Amendment of section 59 of the principal enactment

(1) by the repeal of subsection (1) thereof and the substitution therefor of the following subsection:-

“(1) Every person who –

- (a) persistently makes telephone calls, or sends or transmits messages using a telephone; or
- (b) publishes, sends or transmits telephone numbers of other subscribers,

without reasonable excuse for the purpose of causing annoyance, inconvenience or needless anxiety to any telecommunication officer or any person, commits an offence and shall be liable on conviction to a fine not exceeding one hundred thousand rupees and in default of payment of such fine, to imprisonment of either description for a term not exceeding six months.”; and

(2) in subsection (2) thereof, by the substitution for the words “allow such a call to be made.” of the words “allow such call to be made or proceed to disconnect the telephone connection through which such call was made.”.

40 *Sri Lanka Telecommunications (Amendment)*  
*Act, No. 39 of 2024*

Insertion of new sections 59A in the principal enactment

**33.** The following new section is hereby inserted immediately after section 59 of the principal enactment and shall have effect as section 59A of that enactment:-

“False information, etc.

59A. Any person who knowingly —

- (a) gives or causes to be given any false or misleading information relating to the commission of any offence under this Act; or
- (b) gives or causes to be given to the Commission or any other officer appointed to assist the Commission false or misleading information,

commits an offence and shall on conviction after summary trial before a Magistrate be liable to a fine not exceeding one hundred thousand rupees or in the default of the payment of such fine to an imprisonment for a term not exceeding six months.”.

Amendment of section 65 of the principal enactment

**34.** Section 65 of the principal enactment is hereby amended as follows:-

- (1) by the addition immediately after subsection (2) thereof, of the following subsections:-

“(3) Where any person is convicted of an offence under this Act, the Magistrate may make order that any telecommunication apparatus used in or in connection with, the commission of that offence be forfeited to the State.

(4) Any telecommunication apparatus forfeited by an order of the Magistrate, shall vest absolutely in the State upon the making of such order.

(5) Such vesting shall take effect-

(a) if no appeal is preferred after the expiration of the period within which an appeal against the order for forfeiture may be preferred to a High Court established by Article 154P of the Constitution or the Supreme Court; or

(b) where an appeal has been preferred against the order of forfeiture, to a High Court established by Article 154P of the Constitution or to the Supreme Court, upon the determination of such appeal, either confirming the order of forfeiture or setting aside the appeal.”; and

(2) by the repeal of the marginal note to that section, and the substitution therefor of the following:-

“Magistrate to grant search warrant and seize, and forfeit, the telecommunication apparatus”.

**35.** Section 68 of the principal enactment is hereby amended by the insertion immediately after subsection (1) thereof, of the following subsection:-

Amendment of section 68 of the principal enactment

“(1A) Without prejudice to the generality of the power conferred under subsection (1), the

42 *Sri Lanka Telecommunications (Amendment)*  
*Act, No. 39 of 2024*

Commission shall have power to make rules for the formulation of Codes of Practice applicable to respective operators, providers and licensees.”.

Amendment of section 73 of the principal enactment

**36.** Section 73 of the principal enactment is hereby amended as follows:-

- (1) by the insertion immediately before the definition of the expression “cabling work” of the following definitions:-

““Army” means Army raised and maintained under the Army Act (Chapter 357);

“cable landing station” means a facility where undersea fiber optic cables carrying international telecommunications and internet traffic are connected to terrestrial network;”;

- (2) by the insertion immediately after the definition of the expression “cabling work” of the following definition:-

““Department of Coast Guard” means the Department of Coast Guard established under section 2 of the Department of Coast Guard Act, No. 41 of 2009;”;

- (3) by the insertion immediately after the definition of the expression “Director- General” of the following definitions:-

““exclusive economic zone” means a zone declared under section 5 of the Maritime Zones Law, No. 22 of 1976;

“infrastructure” means a telecommunication facility including a line, submarine cable, distribution point, duct, pit, tunnel, manhole, tower, mast, pole, antenna, structure and active network used for the purpose of providing telecommunication service;”;

- (4) by the insertion immediately after the definition of the expression “operator” of the following definitions:-

““person” include a body of persons;

“police officer” shall have same meaning assigned to it in the Police Ordinance (Chapter 53);”;

- (5) by the insertion immediately after the definition of the expression “prescribed” of the following definition:-

““provider” means a person authorized by a licence under section 17B to provide telecommunication services or infrastructure facilities or cable landing station facilities;”;

- (6) by the insertion immediately after the definition of the expression “public switched network” of the following definition:-

44 *Sri Lanka Telecommunications (Amendment)*  
*Act, No. 39 of 2024*

“radio access network” means a part of a telecommunication network that connects end-user devices to the core network through a radio link;” and

- (7) by the insertion immediately after the definition of the expression “radio beam” of the following definition:-

““radio frequency emitting apparatus” means a radio communication equipment designed or intended to transmit or emit radio waves;

“Sri Lanka Air Force” means the Sri Lanka Air Force raised and maintained under section 2 of the Air Force Act (Chapter 359);

“Sri Lanka Navy” means the Sri Lanka Navy raised and maintained under section 2 of the Navy Act (Chapter 358);

“submarine cable” means a cable laid under the sea, between land-based stations to carry telecommunication signals;”.

Sinhala text to prevail in case of inconsistency

**37.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.



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GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SHAILI EDUCATIONAL FOUNDATION  
(INCORPORATION) ACT, No. 40 OF 2024**

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**[Certified on 19th of July, 2024]**

*Printed on the Order of Government*

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*Shaili Educational Foundation*  
*(Incorporation) Act, No. 40 of 2024*

[Certified on 19th of July, 2024]

L.D.—O. (Inc) 17/2021

AN ACT TO INCORPORATE THE SHAILI EDUCATIONAL FOUNDATION

WHEREAS a Foundation called and known as the “Shaili Educational Foundation” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Foundation according to the rules agreed to by its members:

Preamble

AND WHEREAS the said Foundation has heretofore successfully carried out and transacted the several objects and matters specified in this Act for which it was established:

AND WHEREAS the said Foundation has now applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Shaili Educational Foundation (Incorporation) Act, No. 40 of 2024.

Short title

2. (1) From and after the date of commencement of this Act, such and so many persons as now are members of the Shaili Educational Foundation (hereinafter referred to as the “Foundation”, and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Shaili Educational Foundation” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure.

Incorporation  
of the Shaili  
Educational  
Foundation

(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning and for the purpose of the Voluntary Social Service Organization (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

General objects  
of the body  
corporate

3. (1) Subject to the provisions of any other written law, the general objects for which the body corporate is constituted are hereby declared to be to—

- (a) assist through commencement and promotion of educational and creative activities the children, elders and differently abled persons in Sri Lanka in developing their educational skills and personalities making them suitable for self-employment;
- (b) identify requirements of children, youth, elders and differently abled persons in Sri Lanka and to provide social mobilization programmes and educational and training programmes for their physical and mental well being;
- (c) help children, youth and elders of the community to become balanced persons who are contented and conversant with their own cultural heritage and identity;
- (d) commence and conduct programmes to preserve traditional heritage of Sri Lanka relating to culture, literature and arts; and
- (e) provide relief services to differently abled children, youth and elders and the helpless in the community.

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, gender, political opinion, place of birth or such other grounds.

4. The objects of the body corporate shall be carried out subject to necessary approvals under applicable written laws and in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council.

Body corporate to ensure no conflict with work of Ministry or Department of the Government or Provincial Council

5. (1) Subject to the provisions of this Act and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a Management Council (hereinafter referred to as the "Council") consisting of such number of office bearers as may be specified by the rules made under section 7.

Management of the affairs of the body corporate

(2) (a) The members of the Council of the Foundation holding office on the day immediately preceding the date of commencement of this Act, shall subject to the rules made under paragraph (b), function as an Interim Council of the body corporate until the first Council is appointed or elected within the period specified in paragraph (d) and in the manner provided for by rules made under section 7.

(b) Subject to the provisions of subsections (2), (3) and (4) of section 7, the Interim Council of the body corporate shall have the power to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Council shall be taken by the majority of its members present at any meeting.

(d) The first Council of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Council appointed under paragraph (d), including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or adviser shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Council shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

Powers of the  
body corporate

6. Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute all such acts and things as are necessary or desirable for the achievement of the objects of the body corporate or any one of them, including the power—

(a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as may be determined by the Council with a view to promoting the objects of the body corporate;

- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations from local or foreign sources in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Council shall obtain the prior written approval of the Department of External Resources in respect of all foreign funds, grants, gifts or donations received by or made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Council may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to those of the body corporate or any real or personal property with a view to promoting the objects of the body corporate;

- (g) to appoint, employ, dismiss or terminate the services of officers and other employees of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate in terms of rules made under section 7 of the Act;
- (h) to organize lectures, seminars and conferences with a view to promoting the objects of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to those of the body corporate; and
- (j) to train officers and other employees in Sri Lanka or abroad for the purposes of the body corporate.

Rules of the  
body corporate

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for the following matters: -

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members;
- (b) the election of office bearers of the Council or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;



- (c) the terms and conditions of appointment, powers, functions and duties of various officers and other employees of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Council, notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Council and the body corporate;
- (f) the administration and management of the property of the body corporate;
- (g) the procedure and manner of liaising and coordinating with other local and foreign institutions having objects similar to that of the body corporate; and
- (h) generally, the management of the affairs of the body corporate and the dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1), shall be published in the *Gazette* within three months upon making such rules and shall come into effect on the date thereof.

(4) Every rule made by the body corporate within three months after its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

Register of  
members

**8.** The Council shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

Fund of the  
body corporate

**9.** (1) The body corporate shall have its own Fund.

(2) All moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Council to the credit of the body corporate subject to the provisions of section 6 (c).

(3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

Accounts and  
auditing

**10.** (1) The financial year of the body corporate shall be the calendar year.

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by the Auditor-General or a qualified auditor in terms of the provisions of Article 154 of the Constitution and be certified by the Auditor-General or such qualified auditor.

(4) For the purposes of this section “qualified auditor” means -

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

**11.** (1) The Council shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts and a list of all assets and liabilities of the body corporate certified by the Auditor-General or a qualified auditor, to the Secretary of the Ministry of the Minister assigned the subject of Education and to the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Annual Report

10 *Shaili Educational Foundation  
(Incorporation) Act, No. 40 of 2024*

Organization (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2)A separate statement of accounts relating to the foreign and local moneys received by the body corporate and details of all contracts and agreements entered into by the body corporate and the rules of the body corporate made under section 7 during the financial year shall be attached to the report referred to in subsection (1).

Debts due by  
and payable to  
the Foundation

**12.** All debts and liabilities of the Foundation existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Foundation on that day shall be paid to the body corporate for the purposes of this Act.

Body corporate  
may hold  
property  
movable and  
immovable

**13.** Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage lease, exchange or otherwise dispose of the same.

Application of  
moneys and  
property

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus, profit or otherwise howsoever to the members of the body corporate.

**15.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Council who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body  
corporate

(2) The seal of the body corporate shall be in the custody of an office bearer of the Council as may be decided by the Council.

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities, any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

Property  
remaining on  
dissolution

(2) For the purposes of subsection (1), the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.

Saving of the  
rights of the  
Republic

**18.** In this Act, unless the context otherwise requires:-

Interpretation

“bank” means a bank licensed under the provisions of the Banking Act, No.30 of 1988; and

“written law” shall have the same meaning assigned to such expression in the Constitution.

**19.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to  
prevail in case of  
inconsistency

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**SAMADHI MEDITATION AND YOGA CENTRE  
(INCORPORATION) ACT, No. 41 OF 2024**

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[Certified on 26<sup>th</sup> of July, 2024]

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*Samadhi Meditation and Yoga Centre  
(Incorporation) Act, No. 41 of 2024*

[Certified on 26<sup>th</sup> of July, 2024]

L.D.—O. (Inc.) 5/2021

AN ACT TO INCORPORATE THE SAMADHI MEDITATION AND YOGA  
CENTRE

WHEREAS a Centre called and known as the “Samadhi Meditation and Yoga Centre” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Centre according to the rules agreed to by its members :

Preamble

AND WHEREAS the said Centre has heretofore successfully carried out and transacted the several objects and matters for which it was established, and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

**1.** This Act may be cited as the Samadhi Meditation and Yoga Centre (Incorporation) Act, No. 41 of 2024.

Short title

**2.** (1) From and after the date of commencement of this Act, such and so many persons as now are members of the “Samadhi Meditation and Yoga Centre” (hereinafter referred to as the “Centre”) and shall hereafter be admitted as members of the body corporate hereby constituted, shall have perpetual succession under the name and style of the “Samadhi Meditation and Yoga Centre” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure.

Incorporation of  
the Samadhi  
Meditation and  
Yoga Centre



2 *Samadhi Meditation and Yoga Centre  
(Incorporation) Act, No. 41 of 2024*

(2) The body corporate shall be deemed to be a voluntary social service organization within the meaning, and for the purpose of the Voluntary Social Service Organization (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

General objects  
of the body  
corporate

3. (1) The general objects for which the body corporate is constituted are hereby declared to be : —

- (a) to organize seminars and programmes to improve awareness of general public in Meditation and Yoga;
- (b) to assist the relevant authorities with the approval of such authorities to promote Buddhist culture within and outside Sri Lanka ;
- (c) to liaise with the institutions having objects similar to those of the body corporate ; and
- (d) to establish branches of the body corporate in Sri Lanka to fulfill the objectives of the body corporate;

subject to any applicable written law, to the extent permitted by such law.

2. In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, language, caste, sex, political opinion, place of birth or any of such grounds.

Body corporate  
to ensure no  
conflict with  
work of Ministry  
or Department of  
the Government  
or Provincial  
Council

4. The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council.

5. (1) Subject to the provisions of this Act and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a Board of Management (hereinafter referred to as “the Board”) consisting of such number of office bearers as may be specified by the rules made under section 7.

Management of  
the affairs of the  
body corporate

2 (a) The Board of the centre holding office on the day immediately preceding the date of commencement of this Act, shall subject to the rules made under paragraph (b) of this section, function as the Interim Board of the body corporate until the first Board is appointed or elected in the manner provided for by rules made under section 7.

(b) Subject to the provisions of section 7, the Interim Board shall have the power to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board shall be taken by the majority of its members present.

(d) The first Board of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Board including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or adviser shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Board shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

4 *Samadhi Meditation and Yoga Centre  
(Incorporation) Act, No. 41 of 2024*

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

Powers of the  
body corporate

**6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute all such acts and matters as are necessary or desirable for the promotion or furtherance of the objects of the body corporate or any one of them, including the power:-

- (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the Board with a view to promoting the objects of the body corporate ;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Board shall obtain the prior written approval of the Department of External Resources, in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;

- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Board may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate in terms of rules made under section 7 of the Act ;
- (h) to organize lectures, seminars and conferences with a view to promoting the objects of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate;
- (j) to train officers and servants in Sri Lanka or abroad for the purposes of the body corporate ; and
- (k) generally to do all such acts and things authorized by this Act for the achievement of the objects of the body corporate,

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters :—

Rules of the  
body corporate

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by members;

6 *Samadhi Meditation and Yoga Centre  
(Incorporation) Act, No. 41 of 2024*

- (b) the election of office bearers of the Board or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers ;
- (c) the terms and conditions of appointment, powers, functions and duties of the various officers and servants of the body corporate ;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Board or notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Board and the body corporate ;
- (f) the administration and management of the property of the body corporate ; and
- (g) generally the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date thereof.

(4) Every rule made by the body corporate within three months after its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

**8.** The Board shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.                      Register of members

**9.** (1) The body corporate shall have its own Fund.                      Fund of the body corporate

(2) All moneys received by way of gift, bequest, donation, subscription, contribution, fees or grants for and on account of the body corporate shall be desposited in one or more banks approved by the Board to the credit of the body corporate subject to the provisions of section 6(c).

(3) There shall be paid out of the Fund, all sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its power, duties and functions under this Act.

**10.** (1) The financial year of the Body corporate shall be the calendar year.                      Accounts and auditing

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by a qualified auditor and be certified by such qualified auditor.

(4) For the purposes of this section “qualified auditor” means—

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka, or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute ; or
- (b) a firm of Accountants, each of the resident partners, of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant issued by the Council of such Institute.

Annual Report

**11.** (1) The Board shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by a qualified auditor, to the Secretary of the Ministry of the Minister assigned the subject of Health and to the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Services Organizations (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

Debts due by  
and payable to  
the Centre

**12.** All debts and liabilities of the Centre existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Board on that day shall be paid to the body corporate for the purpose of this Act.

**13.** Subject to the provisions of this Act and any other written law, the Body corporate shall be able and capable in law, to take and hold any property movable or immovable, which may become vested in it by virtue of any purchase grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body corporate may hold property movable and immovable

**14.** The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the Body corporate.

Application of moneys and property

**15.** (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Board who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

(2) The seal of the body corporate shall be in the custody of an office bearer of the Board as may be decided by such Board.

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

Property remaining on dissolution



10 *Samadhi Meditation and Yoga Centre  
(Incorporation) Act, No. 41 of 2024*

(2) For the purpose of subsection (1), the appropriate institution shall be determined by the members of the body corporate immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the rights of the Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.

Interpretation

**18.** In this Act, unless the context otherwise requires :-

“bank” means a bank licensed under the provisions of the Banking Act, No. 30 of 1988 ;

“law” shall have the same meaning assigned to such expression in the Constitution of the Democratic Socialist Republic of Sri Lanka; and

“written law” means any law and subordinate legislation including statutes made by a Provincial Council and Orders, Proclamations, Rules, By-laws and Regulations made or issued by any body or person having power or authority under any law to make or issue the same.

Sinhala text to prevail in case of inconsistency

**19.** In the event of any inconsistency between the Sinhala and Tamil Texts of this Act, the Sinhala text shall prevail.

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GOVERNMENT PRINTING, No. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**MATARA SEASON ORGANIZATION  
(INCORPORATION) ACT, No. 42 OF 2024**

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**[Certified on 02nd of August, 2024]**

*Printed on the Order of Government*

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*Matara Season Organization  
(Incorporation) Act, No. 42 of 2024*

[Certified on 02nd of August, 2024]

L.D.–O. (Inc. 11/2016)

AN ACT TO INCORPORATE THE MATARA SEASON ORGANIZATION

WHEREAS an organization called and known as the “Matara Season Organization” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said organization according to the rules agreed to by its members:

Preamble

AND WHEREAS the said organization has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application:

BE it therefore enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :-

**1.** This Act may be cited as the Matara Season Organization (Incorporation) Act, No. 42 of 2024.

Short title

**2.** (1) From and after the date of commencement of this Act, such and so many persons as now are members of the Matara Season Organization and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Matara Season Organization” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have and use a common seal and to alter the same at its pleasure.

Incorporation of  
the Matara  
Season  
Organization

(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning and for the purpose of the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

General objects  
of the body  
corporate

**3.** (1) Subject to the provisions of any other written law, this Act and the rules made under section 7, the general objects for which the body corporate is constituted are hereby declared to be-

- (a) with the approval and assistance of the Ministry assigned the subject of education—
  - (i) to enhance the cultural talents of school children and university students by organizing talent shows and evaluate their skills and award certificates to successful participants;
  - (ii) to conduct training programmes for the youth to enable them to appreciate and practice cultural and moral values, norms and ethics;
  - (iii) to organize leadership camps and workshops for senior school children and university students to enhance their leadership qualities;
  - (iv) to organize programmes on sanitation, health, sports and physical exercise to enhance the physical fitness of the student population; and
  - (v) to organize and conduct educational tours, shramadana campaigns and workshops to inculcate feelings and patriotism on Sri Lankan heritage, environment, wildlife and people among the school children;

- (b) to assist and encourage organizations which assist senior citizens;
- (c) to encourage the farmers who are engaged in traditional and export agriculture by conducting awareness programmes on recent developments in agriculture; and
- (d) to provide necessary assistance to train unemployed youth in self employment.

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, sex, political opinion, place of birth or any of such grounds.

**4.** The objects of the body corporate shall be carried out in accordance with written law and in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council or any local authority or public corporation.

Body corporate to ensure no conflict with work of Ministry or Department of the Government, or a Provincial Council or any local authority or public corporation

**5.** (1) Subject to the provisions of any other written law, this Act, and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a Committee of Management (hereinafter referred to as the "Committee") consisting of such number of office bearers as may be specified by rules made under section 7 and in such a manner as may be specified therein.

Management of affairs of the body corporate

(2) (a) The members of the Committee of Management of the Matara Season Organization holding office on the day immediately preceding the date of commencement of this

Act shall, subject to the rules made under paragraph (b), function as the Interim Committee of the body corporate until the first Committee is appointed or elected within the period specified in paragraph (d) and in the manner provided for by rules made under section 7.

(b) Subject to the provisions of subsections (2), (3), (4), and (5) of section 7, the Interim Committee of the body corporate shall have the power to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Committee shall be taken by the majority of its members present at any meeting.

(d) The first Committee of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Committee including the patrons and advisers, shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Committee shall, having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

6. Subject to the provisions of any other written law, this Act and the rules made under section 7, the body corporate shall have the power to do, perform and execute the following acts for the attainment of the objects of the body corporate:—

Powers of the  
body corporate

- (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the Committee with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;
- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Committee shall obtain the prior written approval of the Department of External Resources in respect of all foreign funds including grants, gifts or donations received by or made to the body corporate;

- (d) subject to the provisions of the proviso to paragraph (c), to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;



- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Committee may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and other employees of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate in terms of the rules made under section 7 of the Act;
- (h) to organize lectures, seminars and conferences with a view to promoting the objectives of the body corporate;
- (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate;
- (j) to train personnel in Sri Lanka or abroad for the purposes of the body corporate; and
- (k) to do such things as are authorised by this Act for the achievement of the objects of the body corporate.

Rules of the  
body corporate

**7.** (1) The body corporate shall, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, make rules which are not inconsistent with the provisions of this Act, or any other written law, for the following matters:-

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members;
- (b) the election of office bearers of the Committee and vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties, dismissal or termination of services, the exercise of disciplinary control and the payment of salaries, allowances and gratuities of the various officers and other employees of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Committee and for the issuance of notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the body corporate and the Committee;
- (f) the administration and management of the property of the body corporate, detailing of all contracts and agreements entered into by it, custody of its funds and the maintenance and audit of its accounts;
- (g) the procedure for governing, the manner of liaising, coordinating and contracting with other local and foreign institutions having objects similar to that of the body corporate; and
- (h) generally the management of the affairs of the body corporate, the accomplishment of its' objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) of this section and paragraph (b) of subsection (2) of section 5 of this Act, shall be published in the *Gazette* within three months upon making of such rules and shall come into effect on the date of publication thereof.

(4) Every rule made by the body corporate shall within three months of its publication in the *Gazette*, be brought before parliament for approval. Any rule, which is not so approved, shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

Register of  
Members

**8.** The Committee shall maintain a register of members in which name, address and other essential details of the members of the body corporate shall be inscribed .

Fund of the  
body corporate

**9.** (1) The body corporate shall have its own Fund.

(2) Subject to the provisions of the proviso to paragraph (c) of section 6, all moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall, subject to the provisions of paragraph (c) of section 6, be deposited in one or more banks approved by the Committee to the credit of the body corporate.

(3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

**10.** (1) The financial year of the body corporate shall be the calendar year. Accounts and Auditing

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by the Auditor General or a qualified auditor appointed by the Auditor General in terms of the provisions of Article 154 of the Constitution, and be certified by the Auditor General or a qualified auditor.

(4) For the purposes of this section “a qualified auditor” means—

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or
- (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

Annual Report

**11.** (1) The Committee shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by the Auditor-General or a qualified auditor appointed by the Auditor General, referred to in section 10 and the details of all contracts and agreements entered into by the body corporate and the rules of the body corporate made under section 7, to the Secretary of the Ministry of the Minister assigned the subject of Education and to the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980, before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

Debts due by  
and payable to  
the Matara  
Season  
Organization

**12.** All debts and liabilities of the Matara Season Organization existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Matara Season Organization on that day shall be paid to the body corporate for the purposes of this Act.

Body corporate  
may hold  
property  
movable and  
immovable

**13.** Subject to the provisions of any other written law, of this Act and the rules made under section 7, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange, or otherwise dispose of the same.

**14.** Subject to the provisions of any other written law, of this Act and the rules made under section 7, the moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Application of moneys and property

**15.** (1) Subject to the provisions of any other written law, the seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Committee, who shall sign their names to the instrument and such signing shall be independent of the signing of any person as a witness.

Seal of the body corporate

(2) The seal of the body corporate shall be in the custody of an office bearer of the Committee as may be decided by the Committee.

**16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities, any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

Property remaining on dissolution

(2) For the purposes of subsection (1), the appropriate institution to which any property remains after the satisfaction of all the debts and liabilities of the body corporate to be transferred shall be determined by the members of the body corporate with the approval of the Registrar of the Voluntary Social Service Organizations

appointed under Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 immediately before the dissolution at a general meeting by the majority of votes of the members present.

Saving of the rights of the Republic

**17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or any other body corporate.

Interpretation

**18.** In this Act, unless the context otherwise requires-

“bank” means a bank licensed under the provisions of the Banking Act, No.30 of 1988; and

“written law” shall have the same meaning assigned to such expression in the Constitution of the Democratic Socialist Republic of Sri Lanka.

Sinhala text to prevail in case of inconsistency

**19.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, No. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.





**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**CIVIL PROCEDURE CODE  
(AMENDMENT) ACT, No. 43 OF 2024**

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*Civil Procedure Code (Amendment)*  
*Act, No. 43 of 2024*

[Certified on 02nd of August, 2024]

L.D.-O. 72/2021

AN ACT TO AMEND THE CIVIL PROCEDURE CODE (CHAPTER 101)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- |  |   |
|--|---|
| <p><b>1.</b> This Act may be cited as the Civil Procedure Code (Amendment) Act, No. 43 of 2024.</p>  | <p>Short title</p>  |
| <p><b>2.</b> Section 5 of the Civil Procedure Code (Chapter 101) (hereinafter referred to as the “principal enactment”) is hereby amended by the insertion immediately after the definition of the expression “decree”, of the following new definition:-</p> <p style="padding-left: 40px;">““electronic” shall have the same meaning assigned to it by the Electronic Transactions Act, No.19 of 2006;”.</p>   | <p>Amendment of section 5 of Chapter 101</p>              |
| <p><b>3.</b> Section 9 of the principal enactment is hereby amended by the repeal of paragraph (a) thereof, and the substitution therefor of the following new paragraph: -</p> <p style="padding-left: 40px;">“(a) a party plaintiff or a party defendant resides; or”.</p>   | <p>Amendment of section 9 of the principal enactment</p>  |
| <p><b>4.</b> Section 27 of the principal enactment is hereby amended as follows: -</p> <p>(1) in subsection (1) thereof-</p> <p style="padding-left: 40px;">(a) in paragraph (b) by the substitution, for the words “party whom he represents; and”, of the words “party whom he represents;”; and</p> <p style="padding-left: 40px;">(b) by the repeal of paragraph (c) thereof, and the substitution therefor of the following new paragraphs: -</p> | <p>Amendment of section 27 of the principal enactment</p> |

2 *Civil Procedure Code (Amendment)*  
*Act, No. 43 of 2024*

“(c) include an electronic mail address and a mobile phone number to which service of any process, notice or any other legal documents may also be served on a registered attorney;

(d) contain a memorandum substantially in the Form No. 16A of the First Schedule in duplicate setting out the address, mobile phone number and the electronic mail address, if any, of such party which shall be considered as the registered address, the registered mobile phone number and the registered electronic mail address, respectively of such party. The registered attorney shall with such memorandum tender to the Registrar stamps to the value required to cover cost of service of such notices or other legal document by registered post and the registered attorney shall bear the cost of courier service or service through electronic means;”;

(2) by the insertion immediately after subsection (2) of the following new subsection:-

“(2A) (a) Where a party is represented by a registered attorney, such attorney shall in the appointment, state the national identity card number, passport number or any other mode of identification, as the case may be, of the party and shall also make an endorsement thereon certifying the identity of such party. Where the party is a company or a body corporate the appointment shall be made under the seal of such company or a body corporate as the case may be.

(b) In the event a person who resides outside Sri Lanka is unable to meet his registered attorney to sign the appointment under subsection (1), such appointment shall be signed in the presence of any of the following authorized persons who shall certify the identity of such person: -

- (i) an Attorney-at-Law, a solicitor, a lawyer or a Notary of the country where such party resides; or
- (ii) the High Commissioner, the Ambassador, a diplomatic officer or a consular officer of the Sri Lankan High Commission, Embassy or Consular Office in the country in which such party resides.

(c) In the case of any delay or any difficulty to produce the original of the appointment within the specified time, a copy of the original in electronic form may be produced in court subject to production of the original of such appointment within a reasonable time as the court may direct.”.

**5.** Section 55 of the principal enactment is hereby amended by the repeal of subsection (2) of that section, and the substitution therefor of the following subsections: -

Amendment of  
section 55 of the  
principal  
enactment

“(2)(a) Every party to an action, not appearing by a registered attorney, shall on or before the date specified in the summons deliver to the Registrar a memorandum substantially in the Form No. 16A in the First Schedule in duplicate setting out the address, mobile phone number and the electronic mail address if any, which shall be considered as the registered address, the

registered mobile phone number and the registered electronic mail address respectively of such party for the service of the notices or any other legal document required to be served on such party under the provisions of this Code unless otherwise provided. Every party shall inform the Registrar forthwith of any change in the address, the mobile phone number or the electronic mail address.

(b) Every party shall with such memorandum tender to the Registrar stamps to the value required to cover cost of service of such notices or other legal document by registered post. He shall bear the cost of courier service or service through electronic means.

(3) Where a party appears by a registered attorney, the address, the mobile phone number and the electronic mail address of the registered attorney contained in his appointment under section 27 shall be deemed to be the registered address, the registered mobile phone number and the registered electronic mail address of such Attorney-at-Law so long as the appointment is in force.

(4) Any notice or other legal document required to be served on any party shall be deemed sufficient service if served by registered post or courier service or through electronic means-

- (i) on such party on the registered address, the registered mobile phone number or the registered electronic mail address of such party; or

- (ii) on such registered attorney, where a party appears by a registered attorney and such appointment is in force, on the registered address, the registered mobile phone number and the registered electronic mail address of such registered attorney.

(5) The Registrar shall file one copy of the memorandum substantially in the Form No. 16A furnished to him as part of the record of the case and keep and maintain the other copy by way of a separate ledger.”.

**6.** Section 59 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 59 of the principal enactment

“Service of summons

**59.** (1) (a) Summons shall ordinarily be served by the process server, registered post or courier service.

(b) Where the plaintiff wishes summons may also be served through electronic mail, all necessary documents shall be submitted by the plaintiff to the relevant court in electronic form.

(2) In the case of a company or a body corporate summons may be delivered by the process server, registered post, courier service or electronic mail if any to the registered office or to the principal place of business of such company or body corporate.

(3) Where the defendant is a public officer, the court may send summons by the process server, registered post or courier service to the

head of the department in which the defendant is employed, and it shall be the duty of such head of department to cause the summons to be served personally on the defendant.

(4) Where the court is *prima facie* satisfied that the defendant is in the employment of another person, the court may send the summons by the process server, registered post or courier service to the employer at his place of business or, where the employer is a company or a body corporate, to any secretary, manager or other like officer of the company or the body corporate, and it shall be the duty of such employer or officer, as the case may be, to cause the summons to be served personally on the defendant.

(5) Where a defendant appears in court in person on summons being served on him in the manner referred to above, he shall produce the national identity card or passport or any other mode of identification as the court may deem fit.

(6) In this section-

“ head of department ”-

(a) when used with reference to a member of any unit of the Sri Lanka Army, Navy or Air Force, means the Commanding Officer of that unit;

- (b) when used with reference to a person employed in a local authority, where the local authority is a Municipal Council, means the Municipal Commissioner of that Council and where the local authority is an Urban Council or a Pradeshiya Sabha, means the Chairman or the Secretary of that Council or Sabha;
- (c) when used with reference to any other public officer means the head of the department of Government in which such person is employed; and

“national identity card” means the identity card issued to such person under the Registration of Persons Act, No. 32 of 1968.”.

7. Section 60 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 60 of the principal enactment

“Service by the process server

**60.** (1) (a) Where the summons are served by the process server, the summons shall be accompanied by a precept in the Form No. 17 of the First Schedule.

(b) (i) The process server may, upon the summons being served on the defendant, obtain the signature or the thumb impression of such defendant on the precept as acknowledgment of the service of summons.



(ii) The process server shall return the precept to the court, together with a report setting out the manner in which the summons was served on the defendant containing particulars relating to the identity of the person, date, time and place the summons were served. The report shall also state whether defendant, placed or refused to place his signature or thumb impression, on the precept as acknowledgment of the service of summons.

(iii) The refusal by any defendant to place the signature or thumb impression, as the case may be, on the precept shall not be considered as an invalidation of the service of summons.

(2) If the service referred to in the preceding provisions of this section cannot by the exercise of due diligence be effected, the court may having obtained an affidavit from the plaintiff stating that to the best of his knowledge the defendant resides in the captioned address and not living outside Sri Lanka, order the process server to affix the summons at some conspicuous part of the house in which the defendant ordinarily resides or in the case of a company or a body corporate, at the registered office or at the usual place of business or office of such company or a body corporate and in every such case the summons shall be deemed to have been duly served on the defendant.

(3) The Court may authorise the process server to serve the summons outside the local limits of the court as directed by the court.

(4) Where it is reported by the process server that the summons could not be affected personally on the defendant on the last known address given by the plaintiff and the plaintiff informs Court by filling affidavit that the plaintiff is unaware of the place where the defendant resides, the court upon being satisfied on the contents of such affidavit, order that the summons be served by way of publication in newspapers in all three languages as the court may in each case direct.

(5) For the purpose of this chapter-

“process server” means a fiscal, a deputy fiscal, an officer authorized by the Judge or Registrar of the court to serve documents of the court within the local limits or outside the local limits of the court as directed by the court, or the Grama Niladhari within whose division the defendant resides.”.

**8.** Section 61 of the principal enactment is hereby repealed and the following section is substituted therefor: -

Replacement of section 61 of the principal enactment

“Proof of service

**61.** When summons are served by-

- (a) registered post or courier service, the registered post article receipt or proof of delivery of courier service;
- (b) electronic mail, the proof of sending of the electronic mail by the Registrar and filed as part of the case record;

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(c) publication in newspapers, copies of such publications; or

(d) in any other manner, an affidavit of such service,

shall be sufficient evidence of the service of the summons and of the date of such service, and shall be admissible in evidence and the statements contained therein shall be deemed to be correct unless and until the contrary is proved.”.

Replacement of section 66 of the principal enactment

**9.** Section 66 of the principal enactment is hereby repealed and the following section is substituted therefor: -

“Service on agent or affixing on immovable property

**66.** In an action to obtain relief or compensation for wrong in respect of an immovable property or connected thereto, if the service cannot be made on the defendant in person, it may be made on any agent of the defendant in charge of the property and in cases where such agent cannot be found the court may direct that the summons shall be affixed at some conspicuous part of such property.”.

Replacement of section 68 of the principal enactment

**10.** Section 68 of the principal enactment is hereby repealed and the following section is substituted therefor: -

“Service on defendant in jail

**68.** (1) If the defendant be in jail, the summons shall be delivered by the process server to the officer in charge of the jail in which the defendant is confined, and such officer shall cause the summons to be served personally on the defendant and obtain an acknowledgement of receipt of the summons by the defendant.

(2) The precept shall be returned through the process server to the court from which it is issued, with a statement of the service endorsed thereon, and signed by the officer in charge of the jail.

(3) Where any defendant is in prison on the summons returnable date the officer in charge of the prison shall produce the defendant to the Court .”.

**11.** Section 70 of the principal enactment is hereby amended by the substitution for the words and figures “other requirements of section 55.”, of the words and figures “other requirements of section 55. Such service can be effected by courier service or by any legal firm authorised by the laws of such country where the defendant resides and the proof of personal service of summons shall be submitted to the court.”.

Amendment of section 70 of the principal enactment

**12.** The following new chapter is hereby inserted immediately after Chapter VIII of the principal enactment and shall have effect as Chapter VIII<sup>A</sup> of that enactment:-

Insertion of new Chapter VIII<sup>A</sup> in the principal enactment

“CHAPTER VIII<sup>A</sup>  
SERVICE OF ORDERS

Communication of Orders

**71A.** The Court may, in addition to the service of documents, direct the Registrar to communicate any order of court including an enjoining order, an injunction, an interim injunction, a sequestration order and an interim order to the parties concerned by way of electronic or telephone devices.”.

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Amendment of section 86 of the principal enactment

**13.** Section 86 of the principal enactment is hereby amended by the repeal of subsection (2) of that section and the substitution therefor of the following: -

“(2) Where,

- (a) at anytime after the case is fixed for *ex-parte* trial against the defendant for default; or
- (b) any time after the decree is entered against him for default but without the service of the decree on him; or
- (c) within fourteen days of the service of the decree entered against him for default,

the defendant, with notice to the plaintiff makes application to and thereafter satisfies court, that he did not receive the summons or that he had reasonable grounds for such default, the court shall set aside the order fixing the case for *ex-parte* trial, the judgement and decree as the case may be and permit the defendant to proceed with his defence as from the stage of default upon such terms as to costs or otherwise as to the court shall deem fit.”.

Amendment of section 653 of the principal enactment

**14.** Section 653 of the principal enactment is hereby amended by the substitution, for the words “one thousand five hundred rupees”, of the words “two million rupees.”.

Amendment to First Schedule to the principal enactment

**15.** The First Schedule to the principal enactment is hereby amended as follows: -

- (1) by the repeal of Form No. 7 thereof, and the substitution therefor of the following form:-

“No. 7 [Section 27]

FORM OF APPOINTMENT OF A REGISTERED  
ATTORNEY

Know all men by these presents that I/  
we....., holder of National  
Identity card bearing no.....  
.....  
have nominated, constituted and appointed, and do hereby  
nominate constitute and appoint  
.....Attorney-at-Law to  
be my/our registered Attorney and for  
..... and in  
..... name and  
behalf before the .....  
to appear and therein to (sue or defend, as the case may be,  
showing what the action is)

And to receive and to take all moneys that may be paid to  
him by the said ..... in the said action, and  
to move for and obtain in his name any order or orders  
from the said Court for any payments of any sum or sums  
of money that may be deposited therein in respect of  
....., and to give all necessary  
receipts, releases and discharges therefor. And if need be,  
to refer the case to the award and decision of arbitrators  
and to name an arbitrator for ....., and  
for that purpose to sign any motion, submission, or bond;  
or, if necessary to allow and consent to a judgement being  
entered against ..... as to  
..... said Attorney-at-Law shall  
appear fit and proper; and against any judgment, order,  
sentence, or decree interlocutory or final of the said Court  
to appeal to the High Court, Court of Appeal or Supreme  
Court; and every bond or recognizance whatsoever

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necessary in the course of proceedings for the prosecution of such appeal for and in ..... name and as ..... act to sign, and upon any judgement or order of the said ..... Court to proceed to execution against the person and property of the said .....

And ..... do further authorize and empower ..... said Attorney-at-Law, to take and use all lawful ways and means, and to do and perform all such acts, matters and things as may be necessary in and about the premises which ..... being personally present might or could lawfully do, and, if necessary, one or more Attorney or Attorneys-at-Law or counsel, to appoint, and again at pleasure such appointment to revoke, and ..... further promise and agree to release all kinds of irregularities, and to ratify, confirm, and allow all and whatsoever the said Attorney-at-Law or his substitute or substitutes, or the said counsel, shall do herein.

.....

Signature/s

Witness ..... hand at ..... on this ..... day of .....20...

I certify that I am satisfied with the identity of the said .....(name/s) according to the National Identity Card/Passport/ Senior Citizen Identity Card/Driving Licence bearing number ..... and he/she/they signed before me on .....

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.....  
Signature of the registered Attorney/  
Attorney-at-Law/Solicitor/Notary/  
Ambassador/High Commissioner/  
Diplomatic Officer/Consular Officer.  
(Seal)

.....  
Signature of the registered  
Attorney (Seal).”;

Address:  
Phone numbers: Office :  
Mobile :  
Electronic mail Address:  
Fax Number:

- (2) by the repeal of Form No. 16A thereof, and the substitution therefor of the following form :-

“No. 16A [Sections 27 and 55]

MEMORANDUM OF REGISTERED ADDRESS /  
REGISTERED MOBILE PHONE NUMBER /  
REGISTERED ELECTRONIC MAIL ADDRESS

In the Commercial High Court /  
District Court /  
Primary Court of .....

Case No. :  
I,.....(the Plaintiff/  
Defendant/Petitioner/Respondent/Party seeking to be added/  
substituted) hereby furnish my address/ mobile phone  
number/ electronic mail address for the service of the notices  
and all other legal documents required to be served on me  
under this Code.



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I undertake to inform the Registrar of any change of the registered address/registered mobile phone number/registered electronic mail address forthwith by submitting another memorandum in the same form.

Address:  
Mobile Phone Number:  
Electronic mail Address:  
Fax Number:

.....  
Signature  
Plaintiff/Defendant/Petitioner/ Respondent/  
Party Seeking to be added/ substituted.”;

- (3) by the repeal of Form No. 17 thereof, and the substitution therefor of the following form:-

“No. 17 [Sections 60, 71A]

FORM OF PRECEPT TO PROCESS SERVER TO SERVE  
SUMMONS OR ORDERS

To the Fiscal / Authorized Officer / Grama Niladhari of the  
.....

Court/Division of .....

Serve forthwith the summons in the above-named action, which, with duplicates, is herewith transmitted to you, upon each of the persons to whom it is directed, and leave with or tender to each such person a duplicate summons and one of the copies of (or concise statements presented with) the plaint, which accompany the summons. And certify to this Court on or before the ..... day of .....20....., in what manner you have executed this precept, returning the summons attached to your certificate as an exhibit.

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By order of Court,  
(Signed) .....,  
Registrar.

The.....day of .....20...”.

**16.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. Sinhala text to prevail in case of inconsistency

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**PUBLIC FINANCIAL MANAGEMENT  
ACT, No. 44 OF 2024**

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**[Certified on 08th of August, 2024]**

*Printed on the Order of Government*

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*Public Financial Management  
Act, No. 44 of 2024*

[Certified on 08th of August, 2024]

L.D.—O. 48/2023

AN ACT TO MAKE PROVISIONS TO STRENGTHEN ACCOUNTABILITY ,  
OVERSIGHT, MANAGEMENT AND CONTROL OF PUBLIC FUNDS IN THE  
PUBLIC FINANCIAL MANAGEMENT FRAMEWORK WITH THE VIEW TO  
IMPROVING FISCAL POLICY FOR BETTER MACROECONOMIC  
MANAGEMENT; TO CLARIFY INSTITUTIONAL RESPONSIBILITIES RELATED  
TO FINANCIAL MANAGEMENT; TO STRENGTHEN BUDGETARY  
MANAGEMENT, TO FACILITATE PUBLIC SCRUTINY OF FISCAL POLICY  
AND PERFORMANCE; TO REPEAL THE SECTIONS 8 AND 14 OF PART II  
OF THE FINANCE ACT, NO. 38 OF 1971; TO REPEAL THE FISCAL  
MANAGEMENT (RESPONSIBILITY) ACT, NO. 3 OF 2003 AND TO  
PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL  
THERE TO.

BE it enacted by the Parliament of the Democratic Socialist  
Republic of Sri Lanka as follows: -

1. (1) This Act may be cited as the Public Financial  
Management Act, No. 44 of 2024.

Short title and  
date of  
operation

(2) All the provisions of this Act other than the provisions  
specified in subsection (3), shall come into operation on the  
date on which the Bill becomes an Act of Parliament.

(3) The Minister of Finance shall for the implementation  
of the provisions specified in paragraphs (a) and (b) of this  
subsection, appoint such date or dates by Order published  
in the *Gazette* -

(a) the date or dates from which the provisions of  
paragraph (f) of subsection (5) of section 11,  
subsection (1) of section 17, paragraph (b) of  
subsection (2) of section 18, section 36 and  
paragraph (a) of subsection (1) of section 47 shall  
come into operation:

2

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Provided that, the provisions of paragraph (f) of subsection (5) of section 11 shall come into operation on a date not later than thirtieth day of June 2025; and

- (b) the date from which the provisions of subsection (2) of section 34 shall apply in respect of the entities specified in subparagraph (ii) of paragraph (a) of subsection (2) of section 3.

Objects of the  
Act

**2. The objects of this Act shall be –**

- (a) to set out standards, requirements, rules, and procedures for transparency, accountability, discipline, effectiveness, efficiency, and economy in the management of the public finance including the revenues, expenditures, commitments, financing arrangements, equity, assets and liabilities;
- (b) to specify the requirements and procedures to be adhered to, in the management of public finance including the implementation of fiscal responsibility objectives and rules, planning, formulation, adoption and implementation of annual budget along with the processes of monitoring, evaluation, internal controls, accounting, and reporting; and
- (c) to specify performance and accountability requirements.

PART I

APPLICATION OF THE ACT

3. (1) In addition to the provisions enshrined in Articles 148, 149, 150, 151 and 152 of the Constitution, the provisions of this Act, any regulation, and directive made thereunder, unless specifically excluded from this Act, shall apply to the management of the public finance.

Application of the provisions of this Act

(2) The provisions of this Act shall apply to the entities and persons specified below -

(a) the following entities (hereinafter referred to as the “public entities”): -

(i) budgetary entities;

(ii) Statutory Funds and Trusts to which public finances are allocated;

(iii) State-Owned Enterprises; and

(iv) Provincial Councils, Provincial Ministries, Provincial Departments, other Institutions functioning under the Provincial Councils, and Local Authorities in terms of the relevant written laws;

(b) Officers and employees of public entities to whom a power or duty is conferred, delegated or assigned under this Act or any regulation made thereunder, including a Chief Accounting Officer, Accounting Officer or a competent authority referred to in Part VI of this Act.

- (3) Every public entity and persons referred to in subsection (2) in respect of which this Act applies, shall notwithstanding anything to the contrary in the provisions of any other written law, comply with the provisions of this Act in managing public funds allocated to or levied by any such public entity under any written law.

## PART II

### POWERS, DUTIES AND FUNCTIONS OF THE MINISTER OF FINANCE AND OTHER AUTHORITIES

Powers, duties  
and functions of  
the Minister of  
Finance under  
this Act

**4.** (1) The Minister to whom the subject of Finance has been assigned under Article 44 or 45 of the Constitution (in this Act referred to as the “Minister of Finance”) shall in addition to the powers conferred under Article 150 of the Constitution, be responsible for –

- (a) developing policies that achieve fiscal sustainability and effective management of fiscal risks including the identification of the sources of fiscal risks and publication of information in relation to the same;
- (b) ensuring compliance with the fiscal responsibility requirements under Part III of this Act;
- (c) managing the preparation of the annual budget and monitoring its implementation along with the overall supervision on collecting revenues, management of the expenditure, public debt and the Government’s cash and liquidity position;
- (d) the general oversight of all the financial operations of the Government along with the extent of the financial oversight in relation to the State-Owned Enterprises, as may be prescribed; and



(e) the implementation of provisions of this Act.

(2) The Minister of Finance shall -

(a) carry out any other powers and functions assigned to the Minister of Finance by this Act or any other written law; and

(b) be accountable to Parliament for the effective application of the provisions of this Act and regulations made under this Act.

(3) The Minister of Finance may, by Order published in the *Gazette*, delegate to the Secretary to the Treasury any power conferred on the Minister of Finance by this Act except under subsection (1) of section 28, subsection (3) of section 32, subsection (4) of section 39, section 56 and section 67, subject to the conditions, reservations and restrictions, as may be specified in that Order.

**5.** (1) The Secretary to the Ministry of the Minister of Finance appointed by the President in terms of paragraph (1) of Article 52 of the Constitution, shall be the head of the General Treasury (in this Act referred to as the “Secretary to the Treasury”).

Powers, duties, and functions of the Secretary to the Treasury

(2) In addition to the powers, duties, functions and responsibilities assigned by any other written law, the Secretary to the Treasury, for the purpose of achieving the objects of this Act, shall –

(a) assist the Minister of Finance to perform his functions under this Act;

(b) assist the Minister of Finance for preparation and execution of the annual budget;

- (c) manage the Treasury cash flow and oversee the management of the official bank accounts maintained under the Treasury single account;
- (d) ensure compliance with statutory requirements on the preparation of annual financial statements and reports of the Government, their submission to the Auditor-General, and dissemination of related information to the general public;
- (e) monitor the implementation and evaluate the results of public investment projects and public-private partnership projects;
- (f) subject to the approval of the Cabinet of Ministers, formulate policies and strategies for the effective management and overall supervision of State-Owned Enterprises;
- (g) assist the Minister of Finance to manage the public sector cadre and remuneration in compliance with the national remuneration policy;
- (h) formulate, develop, review, and update directives for the financial management, management of assets and internal audit management of public entities;
- (i) enter into agreement with foreign Governments, international organizations or other donor agencies on behalf of the Government upon the approval of the Cabinet of Ministers; and
- (j) carry out any other powers and functions assigned to the Secretary to the Treasury under this Act and by any other written law, which are not inconsistent with the provisions of this Act.

**6.** (1) The Secretary to the Treasury may in writing and subject to such conditions as may be specified therein, delegate to the Deputy Secretary to the Treasury or any officer not below the rank of a Director-General in the General Treasury, the powers, duties and functions conferred to the Secretary to the Treasury under section 5 of this Act.

Delegation of powers, duties and functions of the Secretary to the Treasury

(2) The Secretary to the Treasury may, notwithstanding any delegation made under subsection (1), by himself, exercise, perform or discharge any power, duty or function so delegated and may at any time revoke any such delegation.

(3) Notwithstanding the Secretary to the Treasury having ceased to hold office, any delegation made under subsection (1) shall continue in force.

**7.** The powers, duties, and functions of the Chief Accounting Officer, Accounting Officer and a Revenue Accounting Officer under this Act shall be as prescribed.

Powers, duties, and functions of the Chief Accounting Officer, &c.

**8.** (1) The Minister of Finance shall appoint a Revenue Management Committee consisting of members as specified in subsection (2) which shall be responsible for -

Revenue Management Committee

(a) developing and formulating revenue strategies consistent with the fiscal strategy statement specified in section 11; and

(b) providing strategic advice to public entities that generate revenue.

(2) The Revenue Management Committee shall consist of -

- (a) the following *ex-officio* members namely –
- (i) the Secretary to the Treasury who shall be the Chairperson;
  - (ii) a Deputy Secretary to the Treasury in charge of the subject of fiscal policy;
  - (iii) the Commissioner-General of Inland Revenue;
  - (iv) the Director-General of Customs;
  - (v) the Commissioner-General of Excise;
  - (vi) the Director General of the Department in charge of the subject of Treasury Operations;
  - (vii) the Director-General of the Department in charge of the subject of Fiscal Policy; and
- (b) two other members appointed by the Minister of Finance from among persons who have achieved eminence in the field of revenue management.

(3) The Secretary to the Revenue Management Committee shall be an officer of the Department responsible for the subject of fiscal policy, nominated by the Secretary to the Treasury.

(4) An appointed member of the Revenue Management Committee may resign from such Committee by a letter addressed to the Minister of Finance.

(5) Subject to the provisions of subsection (4), an appointed member of the Revenue Management Committee shall serve on such Committee for a period of three years and shall be eligible for reappointment.

(6) The functions of the Revenue Management Committee, and the manner of the classification, collection, and deposit of the revenue, refund from revenue and reporting requirements shall be as prescribed.

(7) The functions of the Revenue Management Committee shall be carried out, subject to any applicable written law, in such manner so as not to create any conflict between the Revenue Management Committee and functions being carried out by any public entity specified in paragraph (a) of subsection (2) of section 3.

### PART III

#### FISCAL RESPONSIBILITY

**9.** The Government shall manage its fiscal policy in an accountable, efficient, fair, transparent, and sustainable manner in line with the provisions of the Constitution, to ensure macroeconomic stability and economic growth of the country and intergenerational equity.

Fiscal responsibility of the Government

**10.** The objectives underlying responsible fiscal management which need to be adhered to by the Government shall be as follows: -

Objectives underlying responsible fiscal management

- (a) ensure that public debt is reduced to, and maintained at, a sustainable level;
- (b) create and maintain fiscal buffers that secure against future shocks;
- (c) manage and mitigate fiscal risks in a prudent manner;

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- (d) ensure discipline, transparency, and accountability in fiscal management;
- (e) lengthen the time horizon of fiscal planning by establishing requirements for the development and publication of an annual fiscal strategy statement and rolling five-years medium-term fiscal framework; and
- (f) facilitate effective scrutiny of the fiscal performance of the Government.

Fiscal strategy  
statement

**11.** (1) The fiscal strategy of the Government shall comply with the fiscal responsibility framework specified in this Part to ensure achievement of the objectives specified in section 10 and shall be set out in the fiscal strategy statement.

(2) The fiscal strategy statement shall be prepared by the Minister of Finance annually and be submitted it to the Cabinet of Ministers for approval.

(3) Upon obtaining approval of the Cabinet of Ministers under subsection (2), the fiscal strategy statement shall be announced by the Minister of Finance at Parliament on or before thirtieth day of June of each year. Annual budget for the next year shall be prepared based on such fiscal strategy statement. The fiscal strategy statement shall be published on the official website of the Ministry of the Minister of Finance upon the announcement made by the Minister of Finance.

(4) The purpose of the fiscal strategy statement shall be to –

- (a) provide the Parliament and the public with a formal statement of the Government’s fiscal strategy before the annual budget is prepared;

- (b) provide strategic guidance for the upcoming annual budget;
  - (c) establish the basis upon which fiscal performance shall be evaluated objectively;
  - (d) strengthen Parliamentary oversight of performance against the Government's fiscal strategy; and
  - (e) enhance fiscal transparency and accountability.
- (5) The fiscal strategy statement shall, at a minimum –
- (a) specify the Government's fiscal targets and the policies being implemented to ensure achievement of such targets;
  - (b) include proposed timeframe for the reduction of public debt to a sustainable level;
  - (c) explain how the Government's fiscal targets and policies are consistent with the objectives of responsible fiscal management;
  - (d) include the medium-term fiscal framework specified in section 12;
  - (e) provide an assessment of performance against the fiscal strategy, including –
    - (i) an assessment of compliance with the fiscal targets for the preceding financial year, including an explanation of any non-compliance with such targets;

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- (ii) an assessment of expected compliance with the fiscal targets for the current financial year;
  - (iii) an assessment of expected compliance with the fiscal targets for the next financial year and the four succeeding years; and
  - (iv) an assessment of risks of non-compliance with the fiscal targets for the current financial year and the next financial year;
- (f) specify the main sources of fiscal risks against to the attainment of the objectives specified in section 10 and the estimate of the fiscal impact of such fiscal risks; and
- (g) disclose the macroeconomic impact of fiscal decisions taken over the past three years.

Medium-term  
fiscal framework

**12.** (1) The Minister of Finance shall ensure preparation of a medium-term fiscal framework for the upcoming financial year and for the four succeeding financial years which shall be approved and published within the fiscal strategy statement referred to in section 11.

(2) The medium-term fiscal framework shall include, at a minimum -

- (a) a primary balance target consistent with the debt reduction objectives of the Government expressed as a percentage of the forecast nominal gross domestic product;
- (b) a primary expenditure ceiling of the Government expressed in Sri Lankan rupees calculated under section 15; and



- (c) the fiscal aggregate projections and supplementary targets of the Government for the rolling five-years horizon, together with the economic and other assumptions used to prepare these projections.

(3) For the purpose of achieving a sustainable level of public debt, the medium-term fiscal framework shall determine an annual primary balance target as specified in section 14, and a primary expenditure ceiling within the limit as specified in section 15.

(4) The annual budget shall be in accordance with the primary balance target and the primary expenditure ceiling set out in the medium-term fiscal framework as specified in subsection (2).

**13.** (1) The debt reduction objective referred to in paragraph (a) of section 10 requires the Government to ensure that public debt shall be reduced to and maintained at a sustainable level adhering to the limits and time frame specified in the fiscal strategy statement pursuant to the paragraph (b) of subsection (5) of section 11.

Debt reduction objective

(2) The Minister of Finance shall ensure the preparation and publication of a debt sustainability analysis on an annual basis that takes account of the fiscal performance and any revisions that may be required to the fiscal strategy statement or the medium-term fiscal framework as specified under sections 11 and 12, respectively.

**14.** (1) The primary balance target set by the Minister of Finance in the medium-term fiscal framework for the upcoming financial year and the four succeeding financial years, consistent with the debt reduction objective, shall be—

Primary balance target

- (a) served as a medium-term fiscal anchor to address all aspects of fiscal planning and policy development; and
- (b) updated annually to reflect observed fiscal outcomes and to ensure ongoing consistency with the debt reduction objective in section 10.

(2) In case of non-compliance or anticipated non-compliance with the primary balance target included in the medium-term fiscal framework, the Minister of Finance shall submit to Parliament and publish within six weeks from the date of such non-compliance or anticipation as the case may be, the following:-

- (a) a report containing an assessment explaining the reasons for non-compliance with the primary balance target;
- (b) an updated medium-term fiscal framework; and
- (c) a fiscal plan to return to compliance with the primary balance target in the current and the next financial year in case of non-compliance with the primary balance target.

Primary  
expenditure of  
the Government

**15.** (1) The primary expenditure of the Government shall not exceed thirteen *per centum* of the estimated nominal gross domestic product for the relevant financial year.

(2) The primary expenditure ceiling specified in the medium-term fiscal framework for the upcoming financial year and for the four succeeding financial years expressed as a nominal amount calculated with reference to forecast nominal gross domestic product calculated by the Ministry

of the Minister of Finance as the case may be, shall also be consistent with the primary balance target specified in section 14.

(3) The primary expenditure ceiling calculated as per subsection (2) –

- (a) for the upcoming financial year shall be binding for the annual budget for the upcoming financial year at the time of its submission, approval, and execution;
- (b) for the four succeeding financial years shall be updated on an annual basis to reflect the latest estimates for nominal gross domestic product for the relevant financial years and to ensure ongoing consistency with the primary balance target specified in section 14.

(4) The primary expenditure ceiling may be initially reviewed no sooner after five years from the date of coming into operation of this Act, and be reviewed every five years thereafter, and shall be updated to be consistent with the primary balance target and the debt reduction objective.

**16.** (1) Any deviation from the primary expenditure ceiling specified in the medium-term fiscal framework for any financial year, may be made by the Government only under the circumstances specified in subsection (2) and shall be subject to the procedures specified in subsection (3).

Deviation from  
the primary  
expenditure  
ceiling

(2) The Government may exceed the primary expenditure ceiling specified in the medium-term fiscal framework only in the unanticipated events or natural disaster posing significant threats to national security, national economic

security or the public health and safety of the country which necessitate additional, temporary and targeted public expenditure beyond any contingencies included in the annual budget.

(3) Where any situation specified in subsection (2) arises or is likely to arise that requires expenditure in excess of the primary expenditure ceiling specified in the medium-term fiscal framework, the Minister of Finance shall request by way of resolution, the approval of Parliament for the deviation from the primary expenditure ceiling and supplementary appropriations in excess of the primary expenditure ceiling specified in the medium-term fiscal framework.

(4) The request referred to in subsection (3) shall be accompanied by, at a minimum –

- (a) a statement explaining the circumstances in consequence of which the need for such deviation arose, including supporting data, and how those circumstances justify the deviation;
- (b) a recovery plan that shall contain information and targeted actions to be taken to manage the circumstances specified in subsection (2) including additional spending, and actions to be taken by the Minister of Finance to return to compliance with the primary expenditure ceiling, and the timeframe for such return to compliance;
- (c) a supplementary estimate proposal in line with section 26; and
- (d) an updated medium-term fiscal framework.

(5) The documents specified in subsection (4) shall be published on the official website of the Ministry of the Minister of Finance.

**17.** (1) The aggregate stock of outstanding Government guarantees at the end of each financial year shall not exceed 7.5 *per centum* of the average gross domestic product (hereinafter referred to as the “guarantee limit”) of the relevant financial year and preceding two financial years. Guarantee limit

(2) The guarantee limit specified in subsection (1) shall be reviewed every five years after the date of coming into operation of this Act and be updated to ensure consistency with the debt reduction objective specified in the fiscal strategy statement.

(3) In case of a breach of the guarantee limit specified in subsection (1), the Minister of Finance shall submit to Parliament and publish on the official website of the Ministry of the Minister of Finance a report specifying, at a minimum-

- (a) the reason for such breach; and
- (b) actions to ensure compliance with the guarantee limit in the future.

#### PART IV

##### PREPARATION AND APPROVAL OF ANNUAL BUDGET

**18.** (1) The annual budget shall include the estimates of expenditure of the public entities which are allocated to a Head of Expenditure number. Scope of the annual budget

(2) The annual budget shall –

- (a) be presented in the form of the appropriations by Head of Expenditure; and
- (b) be classified in line with the internationally accepted practices.

(3) The Appropriation Act shall envisage expenditure from the Consolidated Fund subject to Articles 150, 151 and 152 of the Constitution.

Compliance with fiscal responsibility requirements

**19.** (1) The Appropriation Bill and the draft annual budget estimates presented to Parliament shall be consistent with the fiscal strategy statement and the medium-term fiscal framework developed in accordance with the provisions of this Act.

(2) The draft annual budget estimates shall be presented in the manner as may be prescribed.

Annual budget document and its accompanying documents

**20.** (1) The annual budget document shall consist of –

- (a) the estimates of revenue and expenditure (in this Act referred to as the “annual budget estimates”) in the forms as may be prescribed; and
- (b) the Appropriation Bill that includes inter-alia, the estimates of expenditure, and borrowing ceilings.

(2) The annual budget document shall be accompanied by –

- (a) budget speech summarizing the contents of the annual budget and the overall thrust of the Government’s fiscal policy;
- (b) a public-friendly version of the annual budget

containing easy-to-understand summary of the main features of the annual budget;

- (c) the fiscal strategy statement and the budget, economic and fiscal position report;
- (d) medium-term debt management strategy and annual borrowing plan;
- (e) the list of ongoing and newly approved public investment projects, including public-private partnership projects in accordance with subsection (1) of section 45;
- (f) the list of outstanding loans and outstanding guarantees provided by the Government and other contingent liabilities of the Government including those related to public-private partnership projects;
- (g) a summary of public service employment across budgetary entities;
- (h) a statement of tax expenditures including the total cost of existing tax expenditures and the disclosure of new tax expenditures; and
- (i) any other documents or information as required under this Act or any other written law or as may be deemed appropriate by the Minister of Finance.

**21.** (1) Notwithstanding anything to the contrary in any other written law, every budgetary entity shall prepare and submit their budget estimates in line with the budget call circular, not later than thirty first day of July of the financial year preceding the year for which the annual budget is prepared.

Annual budget  
process

(2) The budget call circular shall -

- (a) include expenditure ceilings which are binding for the financial year, consistent with the primary expenditure ceiling specified in the medium-term fiscal framework as required under section 12;
- (b) include detailed policy guidance and list the main actions to be complied with and information to be provided by public entities within the annual budget process and set out the timeframe for such actions in line with this section;
- (c) include the public investment programme approved by the Minister of Finance; and
- (d) include other instructions and information as may be deemed necessary by the Secretary to the Treasury.

(3) The Minister of Finance shall obtain the approval of the Cabinet of Ministers for the annual budget document prior to submitting it to the Parliament.

(4) The Minister of Finance shall submit the Appropriation Bill for the forthcoming financial year to the Parliament not later than fifteenth day of October of the year preceding the year for which the annual budget is prepared.

(5) The Minister of Finance shall submit the annual budget document under paragraphs (a) and (b) of subsection (1) of section 20 accompanied with the documents specified under subsection (2) of section 20 to the Parliament not later than fifteenth day of November of the year of which the annual budget is prepared and shall publish the draft annual budget document and documents accompanying thereto on the same day, in the official website of the Ministry of the Minister of Finance.



(6) The Secretary to the Treasury shall announce the budget process pertaining to the presentation and approval of Appropriation Bill for the succeeding year, with specific dates, in consultation with the Secretary General of Parliament and with the approval of the Cabinet of Ministers.

**22.** (1) The Minister of Finance shall be responsible for ensuring the -

- (a) implementation of the annual budget process;
- (b) preparation of the Appropriation Bill and the annual budget estimates; and
- (c) preparation of the annual budget document in accordance with the medium-term fiscal framework and budgetary framework.

Responsibilities of the Minister of Finance and the Secretary to the Treasury in the annual budget process

(2) The Secretary to the Treasury shall be responsible for issuing the budget call circular not later than thirtieth day of June of the financial year preceding the year for which the annual budget is prepared.

**23.** (1) In the event the Appropriation Bill for the succeeding year is not approved by Parliament by thirty first day of December of the current year, the Minister of Finance shall submit a vote on account to Parliament, under which the Parliament shall allocate funds for ongoing projects and continuously provide specified public services which need to be maintained.

Vote on Account

(2) The period for which expenditure is allocated under the vote on account shall not exceed four months and shall be followed by the adoption of the Appropriation Act integrating the expenditure of the vote on account.

PART V

ADJUSTMENTS TO THE ANNUAL BUDGET DURING THE YEAR

Virement  
procedure

**24.** (1) Transfer of an allocation within a Head of Expenditure in annual Appropriation Act shall be in compliance with the provisions in such Appropriation Act, subject to the provisions of subsections (2), (3) and (4) of this section (hereinafter referred to as the “Virement Procedure”).

(2) Transfer of unexpended budget allocation shall not be allowed –

(a) from one Head of Expenditure to another Head of Expenditure; or

(b) from capital expenditure to recurrent expenditure.

(3) Restrictions on the use of virement procedure in addition to those specified in subsection (2) shall as may be prescribed.

(4) The transfer of allocation using the virement procedure, if any, effected by all budgetary entities shall be reported to the Parliament within six months from the date of the said transfer by the Minister of Finance. Procedures of such reporting shall as may be prescribed.

Annual budget  
reserve

**25.** (1) The Appropriation Act may include an appropriation for contingencies which shall be called and known as the annual budget reserve for the financial year.

(2) The amount appropriated for the annual budget reserve shall not exceed two *per centum* of the proposed estimate of primary expenditure.

(3) The funds in the annual budget reserve may be allocated to cover urgent, unforeseen and unavoidable requirements as defined in written laws and the expenditure where existing allocations are insufficient.

(4) Any allocation from the annual budget reserve shall be approved in accordance with the provisions of the Appropriation Act and shall be reported to Parliament within two months.

**26.** (1) A supplementary estimate proposal shall be submitted to the Parliament for approval in the manner as may be prescribed upon the occurrence of the following conditions: -

Supplementary  
Estimates

- (a) unforeseen and unavoidable circumstances such as major economic downturn, severe external shocks, natural disaster, emergence of major contingent liabilities or any such other eventuality in the opinion of the Cabinet of Ministers;
- (b) it becomes necessary for a budgetary entity to incur additional expenditure during a year that is not covered by the Head of Expenditure in the Appropriation Act approved by the Parliament; and
- (c) it is not possible for such expenditure to be provided through –
  - (i) a virement procedure as provided for in section 24;
  - (ii) the Contingencies Fund established under Article 151 of the Constitution; or
  - (iii) an allocation from the annual budget reserve as provided for in section 25.

(2) The supplementary estimate proposal under subsection (1) shall include -

- (a) an overview of the recent macroeconomic and fiscal developments;
- (b) an updated forecasts of revenues and expenditures of the annual budget;
- (c) an explanation of the changes to appropriations for individual Heads of Expenditure; and
- (d) the source of additional financing and any other information as may be prescribed.

(3) The request for additional expenditure under subsection (1) shall be approved by the Cabinet of Ministers prior to submitting it to Parliament.

Excess  
Expenditure

**27.** (1) Where at the close of Government accounts for any financial year, it is found that the budget allocations have been expended -

- (a) in excess of the amount appropriated by the Appropriation Act for the relevant year, or from the Contingencies Fund or supplementary estimate; or
- (b) for a purpose for which the budget allocation has not been made,

such excessive amount shall be treated as unauthorized excess expenditure.

(2) In the events specified in subsection (1), the relevant budgetary entity shall place before the Parliament a

statement on excess expenditure attached to the annual financial statement which shall include the information as may be prescribed not later than ninety days after the closure of the financial year.

(3) An unauthorized excess expenditure shall be a ground for a disciplinary action against the responsible officers.

## PART VI

### BUDGET EXECUTION

**28.** (1) Any financial commitment or liability, including contingent liability, shall not be incurred by a budgetary entity without a warrant authorizing expenditure by the Minister of Finance issued under Article 150 of the Constitution. Warrants

(2) The Chief Accounting Officer or the Accounting Officer of a public entity shall be responsible for ensuring that the expenditure shall be in conformity with the authority contained in the warrant. Any expenditure not in conformity with the authority shall be disallowed by the Secretary to the Treasury, and may be surcharged on the responsible officers.

(3) The warrants authorizing expenditure shall expire at the end of the financial year to which they relate.

**29.** (1) Any expenditure of public funds shall be made subject to the following steps: - Expenditure control system

(a) prior authorization from the competent authority;

(b) prior approval from the competent authority;

- (c) commitment by the competent authority;
- (d) certification by the competent authority; and
- (e) payment by the relevant public entity.

(2) For the purpose of this section, competent authority means any officer who has been delegated functions of the authorization, approval, commitment, certification or payment by the Accounting Officer of the relevant public entity.

(3) The Accounting Officers may delegate functions either generally or with regard to individual transactions, and shall be responsible for ensuring the competence to whom the authority is delegated and the adequacy of internal checks in the system of delegation.

(4) Approvals of commitments shall be subject to the availability of sufficient unencumbered appropriation in the annual budget line against which the commitments are being made.

(5) The obligation to pay shall arise when works, goods or services received by the Competent Authority from third parties.

(6) Any contract or other arrangement, which may incur an expenditure commitment, entered or made by a budgetary entity shall be entered into the financial management information system, in the manner as shall be prescribed.

(7) The Minister of Finance shall establish a clearance strategy to continuously reduce arrears of expenditure commitments which exist on the date of the coming into operation of this Act, and enhance mechanisms to prevent the accumulation of arrears.

**30.** (1) The authority to spend moneys appropriated under the annual budget shall expire and cease to have effect at the end of the financial year to which such annual budget relates.

Expiry of annual budget and lapsed payment

(2) In case of a claim not settled prior to thirty first day of December of a financial year in which the claim arose, such claim shall be settled against corresponding “code of expenditure” in the following financial year. Procedure for such settlement shall be as prescribed.

**31.** (1) The Minister of Finance shall ensure that the multi-year expenditure commitments proposed in the annual budget of any relevant year are consistent with the medium-term fiscal framework.

Multi-year expenditure commitments

(2) The Chief Accounting Officer of the respective budgetary entity shall obtain approval from the Cabinet of Ministers prior to entering into multi-year expenditure commitments.

(3) For the purpose of this section, “multi-year expenditure commitments” means an expenditure commitment the settlement of which requires appropriation from the Appropriation Acts of the financial years succeeding the relevant financial year and shall include public investment projects, related recurrent costs, obligations of the Government under public–private partnership projects and other investments and financing arrangements.

**32.** (1) Every public entity shall procure the goods, services, works, consultancy services and information systems in compliance with the procurement procedures specified in written laws and guidelines issued from time to time by the National Procurement Commission.

Procurement

(2) (a) Every public entity specified in subparagraph (i) of paragraph (a) of subsection (2) of section 3 shall be required to prepare and provide to the Secretary to the Treasury its annual procurement plans.

(b) Every public entity specified in subparagraphs (ii) and (iii) of paragraph (a) of subsection (2) of section 3 shall be required to prepare and provide their annual procurement plans to the respective Chief Accounting Officer.

(3) The National Procurement Commission may, if it deems necessary, formulate and publish in the *Gazette* specific guidelines for State Owned Enterprises and Provincial Councils.

Internal audit

**33.** (1) Every Chief Accounting Officer or Accounting Officer or governing body of a public entity in respect of which an internal auditor has been appointed shall ensure that the internal auditor exercises functions independently and is not assigned with a function that may amount to conflict of interest.

(2) The internal auditor shall follow the directives issued under subsection (3) and shall submit a report setting out such findings on the respective Head of Expenditure to the Chief Accounting Officer or Accounting Officer or governing body of the relevant public entity and copies of such report shall be forwarded to the Department responsible for the subject of Audit Management in terms of the provisions of sections 40 and 41 of the National Audit Act, No. 19 of 2018.



(3) The Secretary to the Treasury shall issue directives with regards to strengthening of internal controls, internal audits and to audit management committees of public entities.

## PART VII

### FINANCIAL MANAGEMENT

**34.** (1) (a) There shall be established a Committee on Cash Flow Management chaired by the Secretary to the Treasury and consisting of Deputy Secretaries, and Heads of the Departments in the Treasury and Heads of following revenue Departments: -

Treasury cash  
flow  
management and  
treasury single  
account system

- (i) Director-General of Customs;
- (ii) Commissioner-General of Inland Revenue;  
and
- (iii) Commissioner-General of Excise.

(b) The powers, duties and functions, responsibilities and operation of the Committee specified in paragraph (a) shall be as prescribed.

(2) There shall be a treasury single account to maintain the revenue and expenditure of the Consolidated Fund, which shall be an integrated system of bank accounts, into which all Government cash including moneys received by the public entities referred to in subparagraphs (i) and (ii) of paragraph (a) of subsection (2) of section 3 shall be deposited and from which expenditure of the Government and such public entities shall be made to enable public funds to be managed in a consolidated manner.

Opening and closing of bank accounts for the allocation of public finance

**35.** (1) The Secretary to the Treasury or an officer authorized in that behalf by the Secretary to the Treasury shall authorize the opening, maintenance and closure of official bank accounts for the purpose of managing the Government's cash and liquidity requirements.

(2) The governing body of a public entity which is not subject to the treasury single account, shall have power to open, maintain, and close bank accounts for the purpose of allocating public finance of such public entity in terms of the relevant written law under which such public entity is established.

(3) The details on the opening and closing of official bank accounts referred to in subsection (1), shall be as prescribed.

Use of information and communication technology

**36.** (1) There shall be developed an effective computerized systems for carrying out the functions of the General Treasury and the functions specified in this Act.

(2) The performance, security, safety and accuracy of the public entity's computerized financial management and other information systems shall be ensured by periodic review and evaluation as prescribed.

Foreign grants and Domestic grants made to the Government

**37.** (1) The Secretary to the Treasury shall, subject to the approval of the Cabinet of Ministers have the authority to sign all agreements with foreign governments, or international organizations in respect of foreign grants or receive any grant from other foreign donors or domestic donors on behalf of the Government, except where a public entity is authorized by the Cabinet of Ministers in writing to sign such agreements and receive such grants.

(2) Funds received as grants to the Government from a foreign government, international organization, or other foreign donor (in this section referred to as the “foreign grants”) or domestic donor shall be –

- (a) credited to the Consolidated Fund; and
- (b) incorporated in the draft annual budget of the public entity responsible for executing the grant.

(3) Any public entity which receives grant in any kind under this section shall determine and record the monetary value of such grant in accordance with the relevant written law.

(4) The requirements and procedures for the receipt of foreign grants or domestic grants, as the case may be, shall be as prescribed.

**38.** (1) The management of the non-financial assets of the public entities referred to in subparagraphs (i), (ii) and (iii) of paragraph (a) of subsection (2) of section 3 including their identification, classification, valuation, utilization, and disposal shall be governed subject to any relevant written law.

Asset  
management

(2) The proceeds of the sale of any movable or immovable property or any exclusive privilege belonging to a budgetary entity shall be credited to the Consolidated Fund and shall be dealt with in the manner as may be prescribed.

## PART VIII

## STATUTORY FUNDS

Powers of the  
Secretary to the  
Treasury on  
statutory funds

**39.** (1) The Secretary to the Treasury shall supervise, examine, and monitor all statutory funds and may issue directives on statutory funds in respect of which any other written law does not provide for such matters.

(2) The Secretary to the Treasury shall submit a report on the performance of statutory funds to the Cabinet of Ministers, at least once in every year.

(3) Every statutory fund shall –

- (a) comply with any directive issued by the Secretary to the Treasury in exercising the powers, duties, and functions under this Act and any other written law;
- (b)
  - (i) submit draft annual budget estimates endorsed by the Chief Accounting Officer of the statutory fund and the relevant Minister to the Secretary to the Treasury for approval;
  - (ii) prepare their budget proposals in line with the provisions of the budget call circular issued by the Secretary to the Treasury if any statutory fund is funded by annual budget;
- (c) submit regular reports on its performance to the Secretary to the Treasury as may be prescribed; and
- (d) submit other information as may be required in writing by the Secretary to the Treasury.

(4) Any non statutory fund shall cease its operations from the date of coming into operation of this Act and shall be dissolved within one year from such date and the moneys lying to the credit of such fund shall be remitted to the Consolidated Fund after discharging the liabilities of such fund:

Provided however, where the Minister of Finance in consultation with the Secretary to the Treasury, determines that such a non-statutory fund shall continue in operation, such fund shall be converted to a statutory fund as may be prescribed.

## PART IX

### PUBLIC INVESTMENT MANAGEMENT

**40.** (1) The selection and implementation of a public investment project, including a public private partnership project shall be in compliance with –

- (a) the objects specified in section 2;
- (b) the fiscal responsibility framework provided for in Part III; and
- (c) Sri Lanka's national development policy framework, national policies, sectoral plans, and public investment programme.

(2) The Minister of Finance shall establish a Public Investment Committee consisting of –

- (a) the Heads of the Departments in the General Treasury responsible for the following subject areas:-

General principles of public investment management and Public Investment Committee

- (i) national planning;
  - (ii) public finance;
  - (iii) fiscal policy;
  - (iv) national budget;
  - (v) public debt management;
  - (vi) external resources;
  - (vii) treasury operations;
  - (viii) public enterprises;
  - (ix) management services;
  - (x) project management and monitoring; and
- (b) the authority in charge of the subject of public-private partnerships.

(3) The Chairperson of the Public Investment Committee shall be the Secretary to the Treasury.

(4) The Secretary to the Public Investment Committee shall be an officer of the Department responsible for the subject of national planning, nominated by the Secretary to the Treasury.

(5) The Public Investment Committee shall be responsible for –

- (a) the selection of public investment projects including public-private partnership projects specified in section 42, based on the criteria that shall be published by the Ministry of the Minister of Finance;

- (b) making recommendations to the Minister of Finance on the mode of financing for such projects, including financing from the annual budget; and
- (c) supervising the implementation of the provisions of this Act and the regulations made thereunder pertaining to public investment projects, including public private partnership projects, and making recommendations as are deemed necessary to the Minister of Finance.

**41.** (1) There shall be a public investment programme consisting of all ongoing and prospective public investment projects, including public-private partnership projects planned based on the national development policy framework. The public investment programme shall be prepared by the Department responsible for the subject of national planning in the manner as may be prescribed and approved by the Minister of Finance and be published in the official website of the Ministry of the Minister of Finance and be updated annually.

Public  
investment  
programme

(2) Each budgetary entity which intends to implement a new public investment project, including a public private partnership project by fifteenth day of May in any year shall submit the project proposal including prescribed details to the Department responsible for the subject of national planning.

(3) The Department responsible for the subject of national planning shall –

- (a) review project proposals including prefeasibility and feasibility study reports submitted by budgetary entities in accordance with the appraisal methodologies as may be prescribed;

- (b) accept or reject the project proposals to be included in public investment programme based on its appraisal of project proposals and subject to its consistency with national development plan of Sri Lanka and the fiscal strategy statement including the medium-term fiscal framework.

Project selection  
and budgeting

**42.** (1) Each budgetary entity may propose to the Minister of Finance public investment project, including a public-private partnership project for inclusion in the annual budget, if such proposed projects are included in the public investment programme referred to in section 41.

(2) Any proposal for a public investment project, including a public-private partnership project referred to in subsection (1), shall be included in the budget proposal of the budgetary entity, in a form specified in the budget call circulars issued by the Secretary to the Treasury.

(3) Subject to the ceilings set out in the budget call circulars, the Public Investment Committee shall –

- (a) review the proposed public investment projects, including public-private partnership projects according to the project selection criteria as may be prescribed and prepare a list of prioritized projects for the approval of the Minister of Finance and for the inclusion in the draft annual budget for approval by the Cabinet of Ministers; and
- (b) recommend appropriate funding sources for projects, taking into account the available fiscal space and other relevant matters which need consideration.



(4) The Minister of Finance shall ensure that any appropriation through annual budget shall not be made to a public investment project, including a public-private partnership project which is not included in the public investment programme.

(5) Notwithstanding the provisions of subsections (1) and (2), public investment projects that are specifically developed in response to natural disasters or emergencies declared by the Government may be considered outside the public investment programme. Such public investment projects shall be subject to the criteria and procedures as may be prescribed.

(6) The Public Investment projects referred to in subsection (5) shall be –

- (a) subjected to the provisions of any applicable written law; and
- (b) approved by the Cabinet of Ministers.

**43.** (1) The public-private partnership projects shall be subjected to the same procedure followed in respect of public investment projects under this Act. Additional provisions applicable to public-private partnership projects may be as prescribed. The Minister of Finance may include a public-private partnership project in the annual budget only if -

Public-private  
partnership  
projects

- (a) such project is considered as a project which offers an economic return in terms of prescribed economic, social and environmental criteria;
- (b) any guarantees provided by the Government on public-private partnerships do not exceed the ceilings under the medium- term fiscal framework; and

- (c) the risk borne by the Government in a public-private partnership project is deemed reasonable and fiscally affordable, and the proposed risk mitigation strategies are deemed sufficient and taking such risk is required for the project's efficient implementation.

(2) The public-private partnership projects shall be included in the list of prioritized projects referred to in paragraph (a) of subsection (3) of section 42 for the approval of the Minister of Finance for the inclusion in the annual budget.

(3) Any expenditure from the Consolidated Fund on an approved public-private partnership project shall be appropriated in the Appropriation Act for the relevant financial year and the total costs of the public-private partnership project over its lifetime shall be disclosed in the annual budget document.

(4) Upon the approval of the Cabinet of Ministers for a public-private partnership project, the Ministry of the Minister of Finance shall ensure that –

- (a) an estimate of the contingent liabilities associated with all public-private partnership projects is included in the fiscal strategy statement; and
- (b) reports on the execution of public-private partnership projects and their financial impact are submitted to the Parliament with the annual report of the Ministry of the Minister of Finance.

Project  
monitoring and  
evaluation

**44.** (1) Each public entity shall ensure that all public investment projects, including public-private partnership projects be delivered on time within the budgetary allocation, and in accordance with the guidelines issued by the Secretary to the Treasury.

(2) Each Chief Accounting Officer or Accounting Officer responsible for the implementation and monitoring of approved public investment projects shall submit the annual action plan, and provide information on the implementation of each such projects to be monitored monthly by the Ministry of the Minister of Finance.

(3) There shall be a Committee appointed by the Cabinet of Ministers comprising members not more than eleven from the Heads of entities responsible for planning, resource mobilizing, budgeting, financing and monitoring, to take expeditious strategic decisions relating to implementation of public investment projects based on information provided by the relevant Chief Accounting Officers and Accounting Officers.

(4) The Head of the Department responsible for project monitoring and evaluation shall be the Secretary to the Committee.

(5) The functions and responsibilities of the Committee and the manner of monitoring and evaluation of projects as may be prescribed.

(6) Any substantial changes to contracts or agreements affecting the sustainability and affordability of any project specified in subsection (1) shall be approved in advance by the Minister of Finance. The Minister of Finance may determine the criteria for determining any change in a contract or agreement as substantive, taking into account relevant written laws or guidelines.

**45.** (1) A report together with information relate to all Reporting  
new projects approved by the Public Investment Committee, and ongoing public investment projects, including public-private partnership projects shall be included in the annual budget document. Such report shall contain -

40 *Public Financial Management  
Act, No. 44 of 2024*

- (a) the name of each project, the starting date or dates and expected completion date or dates, a summary of the objectives and scope of the project;
- (b) total project cost including expenditure already incurred on the project, an estimate of annual expenditure over the medium term and financing sources; and
- (c) any other information as may be deemed appropriate by the Minister of Finance.

(2) The Secretary to the Treasury shall be responsible for maintaining an updated data repository on public investment projects, including public-private partnership projects.

PART X

GOVERNMENT BORROWINGS AND GUARANTEES

Public debt  
management

**46.** The policy framework on management of public debt and Government guarantees shall be in accordance with the provisions of Part III of this Act and subject to the relevant laws.

PART XI

ACCOUNTING AND REPORTING

Financial  
reporting

**47.** (1) The financial statements of the Government shall –

- (a) be prepared complying with the standards to be developed based on the international public sector accounting standards;

- (b) promote transparency in the disclosure to public of financial information and effective management of revenue, expenditure, assets and liabilities of the public entities to which the accounting standards apply; and
- (c) be aimed at the advancement of financial reporting in the public sector.

(2) The budgetary entities shall prepare and submit to the Auditor-General annual financial statement and information in the manner and with the frequency and detail as specified in relevant written laws.

(3) A unified chart of accounts shall be used by every budgetary entity unless the Secretary to the Treasury exempts a particular budgetary entity from such requirement with the concurrence of the Minister of Finance:

Provided however, the accounts of every budgetary entity shall reflect all necessary information.

(4) Not later than one hundred and eighty days after the closure of every financial year –

- (a) each public entity covered in subparagraph (i) of paragraph (a) of subsection (2) of section 3 shall publish an annual performance report; and
- (b) each public entity covered in subparagraph (ii) and (iii) of paragraph (a) of subsection (2) of section 3 shall publish an annual report,

that shall include inter-alia the accounts and other financial statements to fulfill the requirements specified in the relevant written laws and regulations made thereunder.

(5) The Secretary to the Treasury shall periodically issue, publish, and review the instructions, directives, processes, procedures, and systems for accounting and reporting.

(6) Unless otherwise stated in this Act, the submission of the accounts and other financial statements of budgetary entities to the Auditor- General shall be in accordance with the provisions of the National Audit Act, No. 19 of 2018.

Power to require information

**48.** (1) The Secretary to the Treasury shall have power to require the public entities specified in subparagraphs (i), (ii) and (iii) of paragraph (a) of subsection (2) of section 3 to furnish regular reports or any other information on ad – hoc basis –

(a) which are necessary for the preparation of the statements and reports referred to in this Part and may be necessary to exercise his functions; and

(b) on matters relating to their financial management.

(2) The Head of every public entity shall furnish the information and reports required to be furnished by the Secretary to the Treasury under subsection (1) within the timeframe and in the form specified by the Secretary to the Treasury.

Budget Economic and Fiscal Position Report

**49.** (1) A budget economic and fiscal position report shall cause to be tabled in Parliament by the Minister of Finance on the day fixed for the second reading of the Appropriation Bill in Parliament, in each year.

(2) The budget economic and fiscal position report shall contain, the following information in the format as may be prescribed in relation to the current and immediately succeeding financial year: -

- (a) estimates relating to the gross domestic product;
- (b) estimates relating to consumer prices;
- (c) estimates relating to employment and unemployment;
- (d) estimates relating to the current account position of the balance of payments;
- (e) estimates relating to revenue and expenditure;
- (f) estimates relating to Government borrowing;
- (g) the basis, economic or otherwise which has been used in the preparation of the estimates specified in paragraphs (a) to (f);
- (h) a statement relating to the sensitivity of the estimates specified in paragraphs (a) to (f) and the changes which may occur in connection with the economic or other basis used in the preparation of such estimates;
- (i) a statement, quantified as far as practicable, the risks that may have a material effect on the fiscal position such as contingent liabilities including guarantees and indemnities granted by the Government under any written law;
- (j) public announcements relating to proposals of the Government in connection with Government spending not included in the estimates referred to in paragraph (e);

- (k) ongoing negotiations of the Government which have not been finalized, updates to the fiscal strategy statement and the medium-term fiscal framework since the publication of the original statement; and
- (l) such other information which may be necessary to reflect fairly the financial position of the Government in respect of each such financial year.

(3) Subject to the provisions of subsection (4), the information contained in the budget economic and fiscal position report shall take into account, as far as possible, all Government decisions and all other circumstances that may have material effect on the fiscal and economic position of the Government.

(4) Nothing contained in this section shall be read and construed as requiring the inclusion in the budget economic and fiscal position report, a disclosure of any information, in view of the written opinion of the Minister of Finance, if such details or information -

- (a) be prejudicial to the national security; or
- (b) compromise Sri Lanka in a material way, in negotiation, litigation or commercial activity.

(5) The Report shall be published on the official website of the Ministry of the Minister of Finance upon submission to Parliament.

Mid-year fiscal  
position report

**50.** (1) The Minister of Finance shall cause to be released to the public, in respect of every year, a mid-year fiscal position report to provide a basis for the public to evaluate the Government's mid-year fiscal performance as against its fiscal strategy as set out in its statement.



(2) The mid-year fiscal position report in respect of a financial year shall contain –

- (a) a statement of the estimated and actual expenditure for the first six months of that year;
- (b) a statement of the estimated and actual revenue for the first six months of that year;
- (c) a statement of the estimated and actual cash flows for the first six months of that year;
- (d) a statement of the estimated and actual borrowings for the first six months of that year; and
- (e) such other statements which may be necessary to reflect fairly, the financial position of the Government in respect of the first six months of such financial year.

(3) Where there is a shortfall in the estimated revenue or cash flow, or an excess in the estimated expenditure or borrowings, the mid-year fiscal position report shall state the reasons for such shortfall or excess.

(4) Subject to the provisions of subsection (5), the information contained in the mid-year fiscal position report shall take into account, as far as possible, all Government decisions and all other circumstances that may have a material effect on the fiscal position including decisions taken and circumstance that exist, after the passing of the Appropriation Act for that year.

(5) Nothing contained in this section shall be read and construed as requiring the inclusion in the mid- year fiscal position report or the disclosure of any information, in view of the written opinion of the Minister of Finance, if such details or information -

- (a) be prejudicial to the national security; or
- (b) compromise Sri Lanka in a material way, in negotiation, litigation or commercial activity.

(6) Where any information on any matter required to be included in a mid-year fiscal position report remains unchanged from the information in relation to such matter as is included in the last budget economic and fiscal position report, the mid-year fiscal position report shall state that such information remains so unchanged.

(7) The mid-year fiscal position report shall be published in the website of the Ministry of the Minister of Finance, by the last day of the month of October of the relevant year or the lapse of ten months from the date of the passing of the Appropriation Act of the relevant year, whichever is later.

(8) The Minister of Finance shall –

- (a) if Parliament is sitting on the date of the release of the mid- year fiscal position report, cause a copy of such report to be tabled in Parliament within two weeks of the date of such release; or
- (b) if Parliament is not sitting on the date of the release of the mid-year fiscal position report, cause a copy of such report to be tabled in Parliament within two weeks of the next sitting of Parliament.

Final budget  
position report

**51.** (1) The Minister of Finance shall cause to be released to the public, in respect of each financial year, a final budget position report as a part of the annual report of the Ministry of the Minister of Finance to provide a basis for the public to evaluate the Government's annual fiscal performance as against its fiscal strategy as set out in its statement for the relevant financial year.

(2) The final budget position report in respect of a financial year shall contain -

- (a) a statement of the estimated and actual expenditure for that year;
- (b) a statement of the estimated and actual revenue for that year;
- (c) a statement of the estimated and actual cash flows for that year;
- (d) a statement of the estimated and actual borrowings for that year; and
- (e) such other statements which may be necessary to reflect fairly the financial position of the Government at the end of such financial year.

(3) Where there is a shortfall in the estimated revenue or cash flow or an excess in the estimated expenditure that caused deviation from the primary expenditure limit or an excess in the estimated borrowing, the final budget position report shall state the reasons for such shortfall or excess.

(4) The final budget position report shall be published on the website of the Ministry of the Minister of Finance, not later than six months from the end of the financial year.

(5) The Minister of Finance shall –

- (a) if Parliament is sitting on the date of the release of the final budget position report, cause a copy of such report to be tabled in Parliament within two weeks of the date of such release; or

- (b) if Parliament is not sitting on the date of the release of the final budget position report, cause a copy of such report to be tabled in Parliament within two weeks of the next sitting of Parliament.

(6) The final budget position report for a financial year may be incorporated the budget economic and fiscal position report in respect of a financial year, which is introduced after the commencement of that financial year.

Pre-election  
budgetary  
position report

**52.** (1) The Secretary to the Treasury, shall within three weeks of the publication of proclamation or Order requiring the holding of a General Election to elect the members of Parliament, cause to be released to the public a pre-election budgetary position report containing information on the fiscal position of the country.

(2) Every pre-election budgetary position report shall contain the following information for the current financial year: -

- (a) estimates of revenue and expenditure;
- (b) estimates of the Government borrowings;
- (c) the economic and other assumptions that have been used in preparing such estimates;
- (d) a statement of the risks, quantified where practicable, that may have material effect on the fiscal position, such as -
  - (i) contingent liabilities including guarantees and indemnities given by the Government under any Act;

- (ii) publicly announced proposals for spending by the Government that have not been included in the estimates referred to in paragraph (a); and
  - (iii) Government negotiations in progress and not finalized; and
- (e) such other information as may be necessary to reflect fairly the financial position of the Government as at the date of the said report.

(3) Subject to the provisions of subsection (4), the information in the pre-election budgetary position report shall, take into account to the fullest possible, extent any decision of the Government having a material effect on the fiscal position.

(4) Nothing in this section shall be read or construed as requiring the inclusion in a pre-election budgetary position report or the disclosure of any information, in view of the written opinion of the Minister of Finance, if such details or information -

- (a) be prejudicial to the national security; or
- (b) compromise Sri Lanka in a material way, in negotiation, litigation or commercial activity.

(5) Where information on any matter required to be included in a pre-election budgetary position report remains unchanged from the information on that matter included in a previous budget economic and fiscal position report or a mid-year fiscal position report, the pre-election budgetary position report shall state such information remains unchanged from the information included in either or both of these previous reports.

(6) Every pre-election budgetary position report shall be accompanied with –

- (a) a statement signed by the Minister of Finance, for the purpose that the Minister of Finance has complied with the requirements of subsection (8);
- (b) a statement by the Secretary to the Treasury, for the purpose that the information in the report –
  - (i) reflects the best professional judgement of the officers of the Ministry of the Minister of Finance;
  - (ii) takes into account all economic and fiscal information available to the Ministry of the Minister of Finance; and
  - (iii) incorporates the fiscal implications of the Government decisions and circumstances disclosed by the Minister of Finance under subsection (8),

to the fullest extent possible.

(7) The Minister of Finance shall, within two weeks of the first sitting of the new Parliament, cause a copy of the report specified in subsection (1) to be placed before Parliament and such report shall be published in the official website of the Ministry of the Minister of Finance.

(8) For the purpose of enabling the Secretary to the Treasury to prepare a pre- election budgetary position report under this section, the Minister of Finance shall, within one week of the publication of the proclamation or Order requiring the holding of a General Election for the election

of members of Parliament, disclose to the Secretary to the Treasury details of all Government decisions and other circumstances –

- (a) within the knowledge of the Minister of Finance; and
- (b) which have, or could have, material fiscal or economic implications.

**53.** (1) On at least a quarterly basis, the Minister of Finance shall provide a statement on financial performance including revenue and expenditure, of the Government to the Cabinet of Ministers and such statement shall be simultaneously published on the official website of the Ministry of the Minister of Finance, not later than forty five days after the end of each quarter in the manner as may be prescribed.

Reports on financial performance of the Ministry of the Minister of Finance

(2) The Secretary to the Treasury or an officer so authorized shall prepare and submit to the Auditor-General the annual Government financial statements as specified in the National Audit Act, No. 19 of 2018 and any other written law.

(3) The Secretary to the Treasury shall prepare the annual report containing final budget position report and chapter on the overall performance of State-Owned Enterprises along with the audited financial statements of the Government and the Auditor-General's opinion thereon not later than one hundred and eighty days after the closure of the financial year in such form and manner as may be prescribed.

(4) The Minister of Finance shall place before the Parliament, the annual report referred to in subsection (3), not later than one hundred and eighty days from the end of each financial year. The report shall be published on the official website of the Ministry of the Minister of Finance.

Write offs and  
waive offs

**54.** (1) Where any loss has been caused by delay, negligence, fault or fraud of an officer or officers, or from noncompliance with the provisions of this Act, regulations or directives issued under this Act, such loss shall be recovered from the officer or officers responsible.

(2) Any claim for the write off of losses shall be considered by the Secretary to the Treasury subject to the relevant written laws and having regard to the prescribed limit of losses.

(3) A waiver is an abandonment or cancellation of an amount of money due to the Government. Waivers other than those arising out of losses fall into following two distinct categories: -

- (a) certain statutes empower authorized officers to waive items of revenue or other dues to Government in the administration of such statutes. The officers so authorized may deal with the cancellation or waiver of Government dues without further authority;
- (b) (i) where the collection of revenue is provided by statute, but no provision exists therein to waive or abandon a claim; and
- (ii) where the waiver of irrecoverable revenue or other Government dues not falling within the provisions of paragraph (a) of this section and subparagraph (i) of this paragraph,

authority of the Secretary to the Treasury shall be sought.



(4) Details of actions, authority limits, timelines and guidance on investigation, reporting, recovery and write-off of a loss or damage shall be provided in the manner as may be prescribed.

## PART XII

### STATE OWNED ENTERPRISES

**55.** The provisions of this Part shall apply to State-Owned Enterprises as specified in subparagraph (iii) of paragraph (a) of subsection (2) of section 3. Application of the provisions of this Part

**56.** The Minister of Finance shall have the power to - Authority of the Minister of Finance on State-Owned Enterprises

- (a) provide an opinion to the Cabinet of Ministers regarding proposals for the establishment, closure, or merger of each State-Owned Enterprise including the costs to the Government and risks associated with the establishment of a State-Owned Enterprise;
- (b) issue corporate governance guidelines aimed at enhancing the performance of State-Owned Enterprises;
- (c) exercise financial oversight over State-Owned Enterprises; and
- (d) exercise any other power as may be specified by any other written law.

**57.** (1) The relevant Minister shall not submit any proposal for the establishment of a State-Owned Enterprise in accordance with section 56 – Authority of the relevant Minister on State-Owned Enterprises

- (a) without having a clear justification of the requirement of such entity;
- (b) which is not under the purview of the portfolio of the Ministry of the relevant Minister;
- (c) if any other State-Owned Enterprise exists with similar functions under the Ministry of the relevant Minister or any other Ministry; or
- (d) without considering the long term benefits and risks associated with such establishment or incorporation including the costs to the Government.

(2) The relevant Minister shall ensure that -

- (a) every State-Owned Enterprise under his purview shall provide information required by the Minister of Finance including the submission of documents specified in section 61;
- (b) the annual budget of the State-Owned Enterprises is in line with the fiscal strategy statement; and
- (c) the annual budget of the State-Owned Enterprises reflects the risk factors and the strategies to mitigate those risks.

Powers and duties of the Secretary to the Treasury regarding State-Owned Enterprises

**58.** (1) The Secretary to the Treasury may, as he deemed necessary issue directives on policy matters for State-Owned Enterprises covering accountability and governance requirements, review of their financial performance and any other matters including administration, budgeting, procurement, investment, finance and reporting, subject to relevant written laws.

(2) The Secretary to the Treasury shall keep a record of all shareholdings in State-Owned Enterprises.

**59.** (1) Every State-Owned Enterprise shall prepare their budget in respect of every financial year and such budget shall be approved by the governing body of a State-Owned Enterprise not later than fifteen days prior to the commencement of the financial year to which the budget relates.

Budget of State-Owned Enterprises

(2) The State-Owned Enterprise shall prepare their budget estimates in line with the provisions of the budget call circular issued by the Secretary to the Treasury if any State-Owned Enterprise is funded by the annual budget.

(3) Governing body of every State-Owned Enterprise shall adhere to the applicable regulations made under this Act in respect of capital expenditure of the budget estimate of such State-Owned Enterprise.

**60.** (1) (a) Where applicable, there shall be a dividend policy that shall be set by the respective governing bodies of State-Owned Enterprises, in consultation with the Secretary to the Treasury.

Levy or dividends from State-Owned Enterprises

(b) The Minister of Finance may impose a levy on State-Owned Enterprise where applicable and may exempt a State-Owned Enterprise from the imposition of such levy. Such levy shall be published in the annual report under subsection (3) of section 53.

(2) Dividends or other profit distribution from State-Owned Enterprises paid to Government shall be paid into the Consolidated Fund and reflected in the annual budget presented to the Parliament.

(3) The Secretary to the Treasury shall disclose such sums collected as levy or dividend in the annual report under subsection (3) of section 53.

(4) No set-off tax relief shall be granted in respect of the amounts paid as a levy or dividend under this section.

Reports of State-  
Owned  
Enterprises

**61.** (1) Every State-Owned Enterprise shall prepare and submit to the Secretary to the Treasury –

- (a) a medium-term strategic or corporate plan;
- (b) an annual budget, an annual action plan including information on their capital projects and procurement plan;
- (c) an annual report; and
- (d) any other report as may be prescribed.

(2) The Secretary to the Treasury shall from time to time publish the formats, timelines and directions of the reports referred to in subsection (1).

(3) A State-Owned Enterprise shall submit to the Auditor-General a draft annual report, not later than two calendar months from the end of each financial year that includes the approved financial statements of the State-Owned Enterprise along with the statements and documents as prescribed by any written law with copies of such reports to the relevant Minister and the Minister of Finance.

(4) Upon receiving the Auditor-General's opinion and not later than one hundred and eighty days after the closure of every financial year, the State-Owned Enterprise shall submit the annual report to the Parliament with copies of such reports to the relevant Minister and the Minister of Finance and publish the report on the official website of the relevant State-Owned Enterprise.

PART XIII

PROVINCIAL COUNCILS AND LOCAL AUTHORITIES

**62.** (1) Subject to the provisions of the Constitution and relevant written laws, Provincial Councils and Local Authorities shall adhere to the principles of transparency and fiscal responsibility stipulated in this Act in the management of public finance.

Duty to observe the principles of transparency and fiscal responsibility

(2) The Secretary to the Ministry of the Minister to whom the subject of Provincial Councils and Local Authorities are assigned shall submit reports on revenues and expenditures and other financial information of the Provincial Councils and Local Authorities, as may be requested by the Minister of Finance.

PART XIV

CADRE MANAGEMENT

**63.** (1) The Minister of Finance shall be vested with the power of cadre management of the public entities in a manner as may be prescribed that would achieve the objects of this Act.

Cadre management

(2) Subject to the provisions of the Constitution and the approval of the Cabinet of Ministers, the responsibilities of the Minister of Finance with regard to cadre management, shall include the determination of the salaries and wages and other payments, to the officers and other employees of public entities.

## PART XV

## OFFENCES AND PENALTIES

Financial  
misconduct by  
public officers  
and governing  
body of a public  
entity

**64.** (1) An officer or an employee of a public entity to whom a power or duty is conferred or assigned under this Act or any regulation or rule made thereunder who willfully or negligently makes or permits an unlawful, unauthorized, irregular or wasteful expenditure or misapplication of public finance or public property by an act or omission, shall commit the act of financial misconduct and shall be liable to disciplinary action.

(2) The Head of the relevant public entity shall take, or in the event that he is not the disciplinary authority of the officer alleged to have committed the financial misconduct, shall immediately inform the disciplinary authority of the disciplinary action against the officer or employee who is liable to the financial misconduct under subsection (1).

(3) (a) Where an offence under this Act or any regulation or rule made thereunder is committed by a body of persons, if such body of persons is -

- (i) a body corporate, every director and officer of such body corporate including the chief executive officer, the principal executive officer or the chief administrative officer as the case may be of that body corporate; or
- (ii) a partnership, every partner of such partnership,

shall be deemed to have committed that offence.

(b) The Secretary of the Ministry of the relevant Minister shall immediately take disciplinary action against the body of persons who is liable for the financial misconduct under paragraph (a):

Provided that any officer or body of persons as the case may be, shall not be deemed to have committed such offence, if such person proves to the satisfaction of the disciplinary authority that such offence was committed without his knowledge or that such person exercised all due diligence as was necessary, to prevent the commission of such offence.

**65.** The Chief Accounting Officer, through the relevant Minister shall report to the Cabinet of Ministers, any non-compliance of a public entity coming under the purview of such Minister, with the requirements stipulated under this Act or any regulations made thereunder.

Report the non-compliance to the Cabinet of Ministers

## PART XVI

### MISCELLANEOUS PROVISIONS

**66.** In the event of any conflict or inconsistency between the provisions of this Act and the provisions of any other law governing the management of public finance in Sri Lanka, the provisions of this Act shall prevail.

Consistency with other laws

**67.** (1) The Minister of Finance may make regulations in respect of matters required by this Act to be prescribed or in respect of which regulations are authorized to be made.

Regulations

(2) Without prejudice to the generality of the powers contained in subsection (1), the Minister of Finance may make regulations -

- (a) on establishing commitments, paying obligations, and other requirements for an effective commitment control system;
- (b) by classifying arrears; and
- (c) on the management of and settlement of arrears, the reporting requirements of arrears, the inclusion of arrears in the annual debt report required under relevant written laws applicable to the management of public debt, and such other matters in relation to the control of arrears.

(3) Every regulation made by the Minister of Finance shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in that regulation.

(4) Every regulation made by the Minister of Finance shall, within three months, after its publication in the *Gazette*, be brought before Parliament for approval.

(5) Every regulation which is not so approved shall be deemed to be rescinded as from the date of such disapproval but without prejudice to anything duly done thereunder. Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

(6) Until such regulations are framed –

- (a) the financial regulations of the Government of the Democratic Socialist Republic of Sri Lanka approved by the Minister of Finance published in year 1992;



- (b) circulars issued by the Secretary to the President, Secretary to the Treasury and the Heads of Departments under the General Treasury; and
- (c) circular issued by a Secretary to a Ministry with the approval of the Cabinet of Ministers,

with regard to public financial management shall continue to be in force, in so far as such regulations and circulars are not inconsistent with the provisions of this Act.

**68.** (1) The Secretary to the Treasury may issue to the public entities and persons referred to in subsection (2) of section 3, directives deemed as necessary for the purpose of implementing the provisions of this Act. Power to issue instructions or directives

(2) The Secretary to the Treasury shall publish such directives on the official website of the Ministry of the Minister of Finance.

## PART XVII

### REPEALS

**69.** (1) Sections 8 and 14 of the Finance Act, No. 38 of 1971 are hereby repealed. Repeals

(2) Notwithstanding the repeal of section 8 of Part II of the Finance Act, No. 38 of 1971, any budget prepared by any public corporation in terms of the provisions of repealed section 8 of Part II of the Finance Act, No. 38 of 1971 and subsisting on the day immediately preceding the date of coming into operation of this Act, shall be deemed to be a budget prepared under section 59 of this Act.

62 *Public Financial Management  
Act, No. 44 of 2024*

(3) Fiscal Management (Responsibility) Act, No. 3 of 2003 is hereby repealed.

PART XVIII

INTERPRETATION

Interpretation

**70.** In this Act, unless the context otherwise requires -

“Accounting Officer” shall have the same meaning as in the National Audit Act, No. 19 of 2018;

“annual action plan” means the document that outlines the actions, activities and resources that will be used to achieve goals and priorities of the public entity for a financial year;

“annual budget” means the budget approved by the Parliament for a financial year;

“Appropriation Act” means an Act reviewed and approved by the Parliament to make a payment from the Consolidated Fund;

“arrears” means financial liabilities unpaid at the maturity date, the latter established by written law or by contract, should the maturity not be established by either of the mechanisms described above, the maturity period shall be established as ninety days from the date of the relevant invoice or of satisfaction of the terms of the relevant contract;

“budgetary entities” means Ministries, Departments, District Secretariats of the Government and special spending units;

“Central Bank” means the Central Bank established under the Central Bank of Sri Lanka Act, No.16 of 2023;

“Chief Accounting Officer” shall have the same meaning as in the National Audit Act, No. 19 of 2018;

“commitment” means the administrative action to which requisition is made prior to making an obligation;

“Constitution” means the Constitution of the Democratic Socialist Republic of Sri Lanka;

“Department” means an entity setup statutorily or administratively, that has been assigned a specific area of activity and has been given a Head of Expenditure in the annual budget;

“directives” include circulars, guidelines or special directions issued by General Treasury or Department under the General Treasury;

“District Secretariat” means an entity entrusted with the administrative and development function of the district;

“disposal” means the sale, transfer, license, lease or other disposition including any sale and leaseback transaction of any property by any person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith;

“financial year” means notwithstanding anything to the contrary in any other written law, the financial year of the Government and public entities shall be twelve months commencing on first day of January of each year other than the Companies established under the Companies Act, No. 07 of 2007, with a Government stake;

“fiscal risk” means factors or events that may cause fiscal revenue, expense, financing, asset and liability variables to deviate from forecasts in annual and multi-year fiscal programming; and it may originate from domestic or foreign macroeconomic conditions, State-Owned Enterprises operation, implementation of public-private partnerships, and natural disasters among other causes;

“Government” means the Government of the Democratic Socialist Republic of Sri Lanka;

“guarantee” means an explicit undertaking by the Government as the guarantor to guarantee fulfillment of contracted obligations of another legal person or entity under certain specified conditions;

“Head of Expenditure” means, in relation to the Appropriation Act, the annual budget and the supplementary estimates, an appropriation that—

- (a) specifies the total expenditure for a budgetary entity; and
- (b) separately voted by the Parliament;

“levy” means a payment made by a public corporation to the Consolidated Fund of a return on the capital grants of the Government at such rate or a payment to the Consolidated Fund of such amount as may be determined, from time to time, by the Minister;

“medium-term” means between three to five years;

“medium-term fiscal framework” means a set of economic assumptions and fiscal projections and targets covering the upcoming financial year and the four succeeding financial years (projection years);

“national development policy framework” means a logical and an overarching structure that entails long-term goals and guidance for the development of policies;

“national policy” means the policies derived from the national development policy framework to achieve the national development objectives;

“non-financial assets” means produced or non-produced movable or immovable assets, including lands, buildings, structures, plant and machinery, vehicles, office equipment and furniture, and other assets declared as non-financial assets that are fully owned, assigned, possessed, vested in, utilized, or leased by a public entity;

“non statutory funds” means funds that are not established by law;

“official bank account” means any bank account opened with the Central Bank of Sri Lanka or a commercial bank or a specialized bank licensed under the provisions of the Banking Act, No. 30 of 1988 and authorized by the Secretary to the Treasury as prescribed by regulations, to be operated and maintained in order to facilitate the management of public finance;

“primary balance” shall be the overall balance of the Government excluding interest payments of the Government. In calculating the primary balance, proceeds from privatization or commercialization of public assets shall not be part of Government revenues, and the Government’s equity injections to corporations other than banks for recapitalization purposes shall be recorded as Government expenditure;

“primary expenditure” shall be the total expenditure of the Government excluding debt services in a financial year;

“prescribed” means prescribed by regulations;

“President” means the President of the Democratic Socialist Republic of Sri Lanka;

“Provincial Council” means a Provincial Council established for a Province by virtue of Article 154A of the Constitution;

“public corporation” shall have the same meaning assigned to such expression under Article 170 of the Constitution;

“public debt” means liabilities of the Government created by debt and debt of the entities specified in paragraph (a) of subsection (2) of section 3;

“public finance “includes –

- (a) funds allocated to any public entity specified in paragraph (a) of subsection (2) of section 3 by the Appropriation Act of the relevant year;
- (b) funds held by any public entity specified in paragraph (a) of subsection (2) of section 3 in terms of any written law excluding approved termination funds which includes thrift, savings or building society or welfare fund to which contributions are made by employees or, any gratuity fund maintained for the purpose of payment of gratuities to employees on the termination of their services under the relevant written law;
- (c) funds vested in the Government by virtue of the provisions of any written law; and
- (d) funds received or borrowed by any public entity specified in paragraph (a) of subsection (2) of section 3 with the approval of the Parliament;

“public funds” means moneys in the Consolidated Fund or any other Fund and moneys under the control of the Government excluding approved termination funds which includes thrift, savings

or building society or welfare fund to which contributions are made by employees or, any gratuity fund maintained for the purpose of payment of gratuities to employees on the termination of their services under the relevant written law;

“public investment programme” means a medium-term rolling plan consisting of all ongoing and proposed public investment projects and public-private partnership projects prepared based on the national development policy framework;

“public investment project” means an integrated set of activities funded by the Government, provincial council or local authority aimed at allocating resources of financial, physical or service towards the development, improvement, operation or maintenance of public assets or services to enhance the quality of life of citizens and promote economic growth and address societal needs;

“public office holder” means Government appointee to a body entrusted with an advisory or administration function, and remunerated through the public finance;

“public officer” shall have the same meaning given in Article 170 of the Constitution;

“public-private partnership” means a long-term contract between a private party and a Government entity for providing a public asset or service in which the private party bears significant risk and management responsibility;



“relevant Minister” means the Minister under whose purview the public entity is assigned under the paragraph (1) of Article 44 of the Constitution;

“Revenue Accounting Officer” means an Accounting Officer who is vested with the responsibility of facilitating of the preparation of the annual revenue estimates of the revenue codes assigned by the annual budget estimates and who will ultimately accountable for variations between estimate and actual collections;

“special spending unit” means an entity, other than a Ministry, Department, District Secretariat or Provincial Council, that has been given a Head of Expenditure in the annual budget;

“State-Owned Enterprise” means -

- (a) a public corporation within the meaning of the Constitution;
- (b) entities established and operated under the Companies Act, No.07 of 2007 in which the State has direct or indirect controlling interest by virtue of its shareholding; or
- (c) State-Owned Corporations, converted in terms of the Conversion of Public Corporations or Government Owned Business Undertakings into Public Companies Act, No.23 of 1987, or such other Acts in terms of which any business entity has been vested with the Government,

with the exception of the Central Bank of Sri Lanka ;

“Statutory Fund” means any fund other than the Consolidated Fund, created or established under any written law or an Act of Parliament for a specific purpose, to which public finances are allocated excluding approved termination funds which includes thrift, savings or building society or welfare fund to which contributions are made by employees or, any gratuity fund maintained for the purpose of payment of gratuities to employees on the termination of their services, under the relevant written law;

“tax expenditure” includes exemptions, allowances, credits, rate reliefs and tax deferrals pertaining to tax;

“trust” shall have the same meaning assign to that in section 3 of the Trust Ordinance, No. 9 of 1917; and

“vote on account” means an estimate of Government expenditure approved by the Parliament in order to continue the Government services and development activities for a maximum of four months, in the absence of an Appropriation Act.

Sinhala text to prevail in the event of inconsistency

**71.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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English Acts of the Parliament can be purchased at the “PRAKASHANA PIYASA”, DEPARTMENT OF  
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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**ECONOMIC TRANSFORMATION  
ACT, No. 45 OF 2024**

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**[Certified on 09th of August, 2024]**

*Printed on the Order of Government*

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*Economic Transformation  
Act, No. 45 of 2024*

[Certified on 09th of August, 2024]

L.D.—O. 21/2024

AN ACT TO PROVIDE FOR THE NATIONAL POLICY ON ECONOMIC TRANSFORMATION AND FOR THE ESTABLISHMENT OF THE ECONOMIC COMMISSION OF SRI LANKA, INVESTMENT ZONES SRI LANKA, OFFICE FOR INTERNATIONAL TRADE, NATIONAL PRODUCTIVITY COMMISSION, AND SRI LANKA INSTITUTE OF ECONOMICS AND INTERNATIONAL TRADE; FOR THE REPEAL OF THE BOARD OF INVESTMENT OF SRI LANKA LAW, NO. 4 OF 1978 AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

WHEREAS the global economic landscape is rapidly evolving, characterised by technological advancements, shifting demographics, and emerging environmental challenges:

Preamble

AND WHEREAS acknowledging the interconnectedness of national economies and the importance of international cooperation in addressing shared economic challenges:

AND WHEREAS economic transformation is vital for fostering sustainable development, enhancing prosperity, boosting productivity, promoting social progress and ensuring equitable opportunities for all citizens:

AND WHEREAS understanding the role of the Government of Sri Lanka in creating an enabling environment for economic transformation, including through targeted interventions, investment in infrastructure, and the provision of essential public services:

AND WHEREAS acknowledging the crucial role of investment in driving economic growth, creating employment opportunities, and fostering innovation and technological advancement:

AND WHEREAS affirming Sri Lanka's commitment to fostering a transparent, inclusive, and rules-based system that promotes fair and equitable treatment of investors, both domestic and foreign:

AND WHEREAS recognizing the significance of international trade as a catalyst for economic development, promoting competitiveness, and facilitating the integration of economies into the global marketplace:

AND WHEREAS understanding the imperative need to enact legislation that provides a conducive environment for investment, expanded trade opportunities, negotiates trade agreements, and facilitates export-import activities to stimulate economic growth:

AND WHEREAS reaffirming Sri Lanka's commitment to international cooperation and collaboration to address global challenges and harness opportunities for mutual benefit:

AND WHEREAS considering the objectives of the Democratic Socialist Society as provided in subparagraphs (c) and (d) of paragraph (2) of Article 27 of the Constitution:

NOW THEREFORE BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

Short title and  
date of  
operation

**1.** (1) This Act may be cited as the Economic Transformation Act, No. 45 of 2024.

(2) The provisions of this Act other than the provisions of Part II, Part III and section 193 shall come into operation on the date on which certificate of the Speaker is endorsed in respect of this Act in terms of Article 79 of the Constitution.

(3) The provisions of Part II, Part III and section 193 shall come into operation on such date as the Minister may appoint by Order published in *Gazette*, which shall be a date within three months from date of the certificate of the Speaker referred to in subsection (2) (hereinafter referred to as the "appointed date").

PART I

CHAPTER I

NATIONAL POLICY ON ECONOMIC TRANSFORMATION

- 2.** The objects of the National Policy on Economic Transformation shall be-
- Objects of the National Policy on Economic Transformation
- (a) to make realisation by all citizens of an adequate standard of living for themselves and their families, including adequate food, clothing and housing, the continuous improvement of living conditions and the full enjoyment of leisure and social and cultural opportunities;
  - (b) to create rapid development of the whole country by means of public and private economic activity and by laws prescribing such planning and controls as may be expedient for directing and coordinating such public and private economic activity towards social objectives and the public weal; and
  - (c) to avoid an economic crisis.
- 3. (1)** The National Policy on Economic Transformation shall provide for-
- National Policy on Economic Transformation
- (a) the restructuring of the debt owed by the Government, that the-
    - (i) Public Debt to Gross Domestic Production ratio shall be below ninety-five *per centum* by the year 2032 and thereafter;
    - (ii) Central Government Annual Gross Financing Needs to Gross Domestic Production ratio shall be below thirteen *per centum* by the year 2032 and thereafter; and

- (iii) Central Government Annual Debt Service in Foreign Currency to Gross Domestic Production ratio shall be below four decimal half *per centum* by the year 2027 and thereafter; and
- (b) the transformation of Sri Lanka to a highly competitive, export-oriented, digital economy including-
  - (i) diversification and deep structural changes of the national economy to boost competitiveness;
  - (ii) achieving Net Zero by the year 2050;
  - (iii) increasing integration with the global economy;
  - (iv) achieving stable macroeconomic balances and sustainable debt;
  - (v) modernize agriculture to boost farmer productivity, farmer incomes, and agriculture exports; and
  - (vi) promote inclusive economic growth and social progress.

(2) For the purpose of this section, “Net zero” means the balance between the amount of greenhouse gas that is produced in Sri Lanka and the amount that is removed from the atmosphere.



4. It shall be the duty of the Cabinet of Ministers charged with the direction and control of the Government of Sri Lanka under Article 43 of the Constitution, to base the National Policy on Economic Transformation on the following targets: -

Duty of the Cabinet of Ministers in relation to the National Policy on Economic Transformation

(a) Gross Domestic Production growth to reach-

(i) five *per centum* annually by the year 2027; and

(ii) above five *per centum* annually thereafter;

*Explanation*

The year 2027 will mark five years since the beginning of the crisis. Sri Lanka's positive recovery shall enshrine a full economic recovery by the year 2027. The economic growth shall be accelerated to above five *per centum* after the year 2030 to achieve an Advanced Economy status by the year 2048.

(b) unemployment to reach below five *per centum* of the labour force from the year 2025;

*Explanation*

Unemployment rates in Sri Lanka have typically been low and a target rate of five *per centum* locks this in.

(c) Female Labour Force Participation to reach-

(i) not less than forty *per centum* by the year 2030; and

(ii) not less than fifty *per centum* by the year 2040;

*Economic Transformation  
Act, No. 45 of 2024*

*Explanation*

Measures to increase Female Labour Force Participation may significantly increase labour productivity and growth in the economy.

- (d) current account deficit of the balance of payments shall not exceed one *per centum* of Gross Domestic Production annually;

*Explanation*

Persistent current account surpluses may help Sri Lanka manage its external debt service obligations on a sustainable basis. However, in case of a current account deficit in a given year, this deficit shall be limited to less than one *per centum* of Gross Domestic Production.

- (e) exports of goods and services as a percentage of Gross Domestic Production to reach-
- (i) not less than twenty-five *per centum* of Gross Domestic Production by the year 2025;
  - (ii) not less than forty *per centum* of Gross Domestic Production by the year 2030; and
  - (iii) sixty *per centum* of Gross Domestic Production by the year 2040;

*Explanation*

A target of forty *per centum* of Gross Domestic Production by the year 2030 is needed to convert Sri Lanka from an inward-oriented economy to an outward-oriented economy.

- (f) Net Foreign Direct Investment as a percentage of Gross Domestic Production to reach-
- (i) not less than five *per centum* of Gross Domestic Production by the year 2030; and
  - (ii) at least forty *per centum* of Net Foreign Direct Investment to be in exports of goods or exports of services by the year 2030;

*Explanation*

Shift to export-oriented Foreign Direct Investment in order to support the growth of non-debt creating inflows to the economy.

- (g) Primary Balance in the Government Budget to reach two decimal three *per centum* of Gross Domestic Production until the year 2032 and at least two *per centum* of Gross Domestic Production from the year 2032 onwards;

*Explanation*

In order to prevent the recurrence of such an economic crisis, it is essential to ensure that a primary surplus of at least two *per centum* of Gross Domestic Production is maintained in the Government budget.

- (h) Government revenue to reach at least fifteen *per centum* of the Gross Domestic Production beyond the year 2027; and

*Explanation*

To maintain robust domestic resource mobilization.

- (i) multi-dimensional poverty headcount ratio to be less than fifteen *per centum* by the year 2027 and less than ten *per centum* by the year 2035.

*Explanation*

The reduction of multi-dimensional poverty (including education, health, housing and access to basic services) to promote inclusive growth through economic transformation.

Cabinet of Ministers to prepare a report on the policy framework and strategies

**5.** (1) The President shall, commencing from the year 2025, ensure that every five years, the Cabinet of Ministers shall prepare and present to Parliament a report on the policy framework and strategies (including proposed legislation) to give effect to the National Policy on Economic Transformation as set out in sections 3 and 4.

(2) The Cabinet of Ministers may from time to time revise such report and present such revisions to Parliament.

(3) Such report shall be presented to Parliament by the Minister assigned the subject of Economic Policy, in accordance with the Standing Orders and the first report shall be presented to Parliament in the year 2025.

Policies of Government to conform to National Policy on Economic Transformation

**6.** All policies, programmes, regulations, circulars and directives of the Government shall conform to such National Policy on Economic Transformation.

Commitment to achieving the key targets of the policy and remedial measures for any deviation from the targets

**7.** (1) The Government shall, through the Minister assigned the subject of Economic Policy, present to Parliament by thirty first day of March each year the measures being taken towards achieving each target of the National Policy on Economic Transformation. The first such report shall be presented to Parliament immediately after the expiry of one year from the date of commencement of this Part.

(2) Where the target has not been met, the Government shall inform Parliament of the measures being taken to remedy the situation and indicate when the target will be met. The remedial measures shall reflect a firm commitment and comprehensive strategy to meet the targets, which shall be a binding condition.

**8.** Parliament, in the exercise of its powers under Article 43 and Article 148 of the Constitution, shall have the oversight control over the Cabinet of Ministers in the execution of its powers and responsibilities under this Act.

Oversight control of Parliament

**9.** The following agencies shall assist the Government in achieving the objects of rapid growth for the national economic transformation-

Agencies to assist the Government

- (a) Economic Commission established by section 11;
- (b) Zones SL established by section 61;
- (c) Office for International Trade established by section 99;
- (d) National Productivity Commission established by section 132; and
- (e) Sri Lanka Institute of Economics and International Trade established by section 162.

## PART II

### CHAPTER II

#### APPLICATION OF THIS PART

**10.** (1) The provisions of this Part shall apply to investments and international trade of Sri Lanka.

Application of this Part

(2) The provisions of this Part shall not apply to the Colombo Port City Special Economic Zone established under section 2 of the Colombo Port City Economic Commission Act, No. 11 of 2021.

### CHAPTER III

#### ESTABLISHMENT OF THE ECONOMIC COMMISSION OF SRI LANKA

Establishment of  
the Economic  
Commission of  
Sri Lanka

**11.** (1) There shall be established a Commission which shall be called the Economic Commission of Sri Lanka (in this Act referred to as the “Economic Commission”).

(2) The Economic Commission shall, by the name assigned to it under subsection (1), be a body corporate with perpetual succession and a common seal and may sue and be sued in such name.

(3) The Commission shall have its principal office in Sri Lanka and may establish any branch office or other representation within or outside Sri Lanka.

Objects of the  
Economic  
Commission

**12.** The objects of the Economic Commission shall be-

- (a) to contribute to the creation and maintenance of a robust investment climate, the promotion and facilitation of sustainable foreign direct investment which will stimulate international trade by the increase of exports and increase employment opportunities for the citizens of Sri Lanka;
- (b) to evaluate the need for Investment Zones in Sri Lanka, and provide guidance and regulatory oversight for the operation and management of such Investment Zones to the Zones SL or any other entity established by or under Part III;

- (c) to promote and enable the ease of doing business for investors, investments and exporters;
- (d) to determine the investments which are of strategic importance which include significant inflows of foreign exchange into Sri Lanka by way of foreign direct investment, the export of goods and services, and large-scale employment within Sri Lanka, and which result in significant benefits to the overall development of the economy;
- (e) to review and recommend incentives to the Minister for the promotion of investments which are determined by the Economic Commission under paragraph (d) to be of strategic importance;
- (f) to facilitate a smooth and efficient process for enabling investments;
- (g) to expand and strengthen Sri Lanka's economy by facilitating investments and formulating policies which will stimulate international trade by the increase of exports, thereby diversifying the sources of foreign exchange and increase of export earnings and to recommend such policies to the Cabinet of Ministers; and
- (h) to encourage and foster the establishment and development of industrial and commercial enterprises within Sri Lanka.

**13.** The Economic Commission shall, in the performance and discharge of its duties and functions exercise the following powers: -

Powers of the  
Economic  
Commission

- (a) to recommend the declaration of Investment Zones to the Minister;
- (b) to formulate, oversee, and direct the implementation of reforms required for improving the investment climate;
- (c) to review policies, laws and regulations relating to investments, international trade and exports, and to advise the Minister on measures that are considered necessary to facilitate the attainment of the objects of the Economic Commission by the issuance or amendment of laws and regulations;
- (d) to take all necessary measures to promote domestic and foreign investments and international trade to achieve greater export-orientated growth, economic diversification and technological advancement;
- (e) to enter into agreements with or engage in any activity in furtherance of its duties and functions, either alone or in conjunction with other governmental or regulatory institutions or international agencies or organizations, handling matters related to investment and trade;
- (f) to enter into contracts with any person as may be necessary in the exercise, performance and discharge of its powers, duties and functions;
- (g) to approve or register, as the case may be, investments or enterprises as provided for in this Part;



- (h) to establish or create entities, including separate legal entities incorporated under the Companies Act, No. 07 of 2007, as may be necessary to attain the objects of the Economic Commission, to carry out any of the duties and functions of the Economic Commission;
- (i) to delegate or assign such powers, duties or functions subject to such terms and conditions, to such entities created under paragraph (h), as the Economic Commission may determine;
- (j) to give special or general directives to any entity created by the Economic Commission for the purpose of discharging its objects and functions;
- (k) to appoint advisory committees to assist the Economic Commission in fulfilling its mandate;
- (l) to recognize certification and certifying bodies in relation to investment and international trade;
- (m) to determine an amount up to ten *per centum* of the fees charged by the Zones SL to issue any licence under Part III, to be credited to the EC Fund;
- (n) to purchase, or take and hold any property, movable or immovable, which may become vested in it and to sell, mortgage, lease, convey, devise, assign, exchange or dispose of any such movable or immovable property;
- (o) to purchase, hold and sell shares, stocks, debentures and similar assets;
- (p) to employ such officers and staff including consultants and advisors subject to such terms and conditions as the Economic Commission may consider appropriate to enable it to discharge its functions under this Part;

- (q) to invest its funds in such manner as the Economic Commission may deem necessary including the opening, operation and closing of bank accounts;
- (r) to make rules and issue guidelines in respect of matters under this Part; and
- (s) to do any other acts as may be necessary or conducive to the attainment of the objects of the Economic Commission under this Part.

Duties and  
Functions of the  
Economic  
Commission

**14.** The duties and functions of the Economic Commission shall be-

- (a) to design, recommend and implement national policies regarding investments, and the stimulation of international trade to achieve national economic milestones;
- (b) to formulate schemes and measures to ensure that existing investors are encouraged to retain, reinvest and expand their investments in Sri Lanka;
- (c) to take necessary measures to facilitate investments by streamlining, digitizing and creating a transparent regulatory and operational environment including a process for the registration and approval of investments;
- (d) to take necessary measures to ensure that trade negotiations will be directly aligned with Sri Lanka's strategic export and investment objects and reap the expected benefits of the trade-investment nexus;

- (e) to propose strategic policy actions that may be required to attract and stimulate transformational investments to the Minister;
- (f) to recommend the creation of Investment Zones;
- (g) to undertake periodic performance reviews of investments as well as the flow of investments into Investment Zones;
- (h) to conduct research on the performance and prospects of trade and investment to assist in the formulation of government policies;
- (i) to coordinate between government entities to meet the objects of the Economic Commission; and
- (j) to do all such other acts as may be necessary or conducive to the attainment of any or all of the objects of the Economic Commission.

**15.** (1) The Minister shall, upon receipt of a recommendation under paragraph (f) of section 14 to declare an Investment Zone, with the approval of the Cabinet of Ministers, by Notice published in the *Gazette*, declare such Investment Zone by specifying-

Minister to  
declare  
Investment  
Zones

- (a) the metes and bounds of the land area which shall fall within such Zone; and
- (b) the sector in which such zone falls and whether it is a single sector or multiple sector zone as referred to in subsection (5).

(2) Where whole or part of Investment Zone is private land, the notice published under subsection (1) shall, in respect such private land, be deemed to be a notice published under section 2 of the Land Acquisition Act (Chapter 450) and provisions of that Act shall *mutatis mutandis* apply in relation to such private land.

(3) The President may make or execute a grant or any other alienation or disposition of any State land within any Investment Zone to the Zones SL, subject to the condition that any such State land shall not be alienated for private use except to the developers, operators or enterprises or other body of persons established within such Investment Zone.

(4) Upon a grant, alienation or disposition made or executed under subsection (3), the Zone SL shall, subject to conditions specified therein, be responsible for the use of such land.

(5) An Investment Zone may be designated as a single sector or multiple sector zone and may include but not limited to-

- (a) industries;
- (b) information communication technology enterprises;
- (c) science and technology enterprises;
- (d) high technology agricultural enterprises;
- (e) tourist and recreational enterprises;
- (f) business service enterprises; or
- (g) livestock enterprises.

(6) (a) Subject to the provisions of any other written law, a person shall not carry on the business of a zone developer, operator or enterprise or provide or maintain activities or facilities within a Zone without being registered with the Economic Commission or Zones SL, as the case may be, in accordance with the regulations made under Part II or Part III.

(b) A Zone shall be a designated geographical area where business enabling policies, integrated land uses and sector-appropriate on-site and off-site infrastructure and utilities shall be provided, or which has the potential to be developed,

whether on a public, private-public partnership or private basis where any goods introduced and specified services provided are regarded, in so far as import duties and taxes are concerned as being outside the area that falls within the Customs Ordinance (Chapter 235), and wherein the benefits provided under this Part apply.

#### CHAPTER IV

##### ADMINISTRATION AND MANAGEMENT OF THE ECONOMIC COMMISSION

**16.** (1) The administration and management of the affairs of the Economic Commission shall be vested in a Board of Members (in this Part referred to as the “EC Board”).

Administration  
and management  
of the Economic  
Commission

(2) The EC Board shall, for the purpose of administering and managing the affairs of the Economic Commission, exercise, perform and discharge the powers, duties and functions conferred or imposed on, or assigned to the Economic Commission by this Part.

(3) The EC Board shall consist of not more than ten members comprising of the following: -

(a) the following *ex officio* members:-

- (i) the Secretary to the Ministry of the Minister assigned the subject of Finance or his nominee who shall be an officer not below the rank of Deputy Secretary to the Treasury;
- (ii) the Secretary to the Ministry of the Minister assigned the subject of Investment or his nominee who shall be an officer not below the rank of Additional Secretary;
- (iii) the Chairperson of the Office for International Trade;
- (iv) the Chairperson of the Zones SL; and

(b) not more than six persons appointed by the President (in this Part referred to as the “appointed members”) comprising of persons having knowledge, expertise and experience and national or international recognition in the fields of Economics, Investment, International Trade, Finance, Law, Information Technology, Logistics, Manufacturing or Business.

(4) The EC Board shall invite the persons designated by the Economic Commission or under any other law to head any authorities which may be designated by the Economic Commission or vested with the responsibility by any other law over Investment Zones and export promotion and development to attend meetings of the Economic Commission, provided that they shall not be entitled to a vote thereat.

Chairperson of  
the EC Board

**17.** (1) The President shall appoint one of the appointed members to be the Chairperson of the EC Board.

(2) The Chairperson may resign from the office of the Chairperson by letter on that behalf addressed to the President and such resignation shall be effective from the date on which it is accepted in writing by the President.

(3) The President may for reasons assigned therefor remove the Chairperson from the office of Chairperson.

(4) Subject to the provisions of subsections (2) and (3) the term of office of the Chairperson shall be the period of his term of office as a member of the EC Board.

(5) Where the Chairperson is temporarily unable to perform the duties of his office due to ill health, other infirmity, absence from Sri Lanka for a period not less than three months or any other cause, the President may appoint any other appointed member to act as the Chairperson in addition to his normal duties.

**18.** A person shall be disqualified from being appointed or nominated or from continuing as a member of the EC Board if such person-

Disqualifications  
for being a  
member of the  
EC Board

- (a) is, or becomes a Member of Parliament, or a Member of any Provincial Council or any local authority;
- (b) is not or ceases to be a citizen of Sri Lanka;
- (c) is under any law in force in Sri Lanka or any other country, found or declared to be of unsound mind;
- (d) is a person who, having been declared as insolvent or bankrupt under any law in force in Sri Lanka or any other country is an undischarged insolvent or bankrupt;
- (e) is serving or has served a sentence of imprisonment imposed by a court of Sri Lanka or any other country;
- (f) holds or enjoys any right or benefit under any contract made by or on behalf of the Economic Commission;
- (g) has any financial or other interest direct or indirect as is likely to affect prejudicially the exercise, performance and discharge by such person of his powers, duties and functions as a member of the EC Board; or
- (h) has been previously removed from office.

**19.** Every appointed member of the EC Board shall, unless such person vacates office earlier by death, resignation or removal, hold office for a period of three years from the date of appointment, and unless removed from office shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

Term of office

Removal,  
resignation etc.  
of appointed  
members

**20.** (1) Any appointed member of the EC Board may, at any time, resign from his office by letter in that behalf addressed to the President, and such resignation shall take effect from the date on which the resignation is accepted in writing by the President.

(2) The President may remove any appointed member of the EC Board, from office-

- (a) by written notice, if such person becomes incapable of effectively performing the duties of office due to ill health or incapacitation; or
- (b) being satisfied, upon consideration of representations made, that such person is guilty of fraud, grave misconduct or gross negligence, or being incapable of effectively discharging responsibilities vested on such person (including regular non-attendance of meetings) which warrants removal from office with immediate effect.

(3) An appointed member shall be disqualified from continuing as a member of the EC Board if such person absents himself from three consecutive meetings of the EC Board or one third of the meetings for any calendar year without being excused for such absence by the EC Board.

(4) In the event of the vacation of office by death, resignation or removal from office of any appointed member of the EC Board, the President shall, having regard to the provisions of sections 16 and 18, appoint another person to fill such vacancy. Such person shall hold office for the unexpired period of the term of office of the member whom he



succeeds, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(5) Where any appointed member of the EC Board is temporarily unable to perform the duties of his office on account of ill health or any other cause, or if he is absent from Sri Lanka for a period not less than three months, the President shall, having regard to the provisions of sections 16 and 18, appoint any other person to act in place of such member during his absence.

**21.** (1) Any member of the EC Board who has a direct or indirect interest in any person, company, investment, export, trade or any other matter involving the exercise of discretion of the Economic Commission or its vote or direction, shall forthwith inform the Director General of the Economic Commission in writing of the nature and extent of such interest and such disclosure shall be duly recorded at meetings of the EC Board where such matters are discussed. Such member shall not participate at any meeting at which such matters are discussed or vote on any decision which directly or indirectly relates to such interest.

Conflicts of  
interest

(2) If any member of the EC Board fails or neglects to declare a conflict of interest as set out in subsection (1), such member shall be subject to disqualification from being a member of the EC Board.

**22.** (1) The meetings of the EC Board shall be held at least once in three months or as is required for the purpose of exercising, performing and discharging the powers, duties and functions conferred or imposed on, or assigned to the EC Board by this Part.

*Quorum* and the  
meetings of the  
EC Board

(2) The *quorum* for any meeting of the EC Board shall be five members.

(3) A meeting of the EC Board may be held either-

- (a) by the number of members who constitute the *quorum* being assembled at the place, date and time appointed for the meeting; or
- (b) by means of audio-visual communication by which all members participating and constituting the *quorum* can simultaneously see and hear each participating member for the duration of the meeting.

(4) All questions for decision at any meeting of the EC Board shall be decided by the vote of the majority of members present and voting at such meeting. In the case of an equality of votes, the Chairperson shall, in addition to his vote, have a casting vote.

(5) The Chairperson, if present, shall preside at every meeting of the Board. In the absence of the Chairperson from any meeting of the EC Board, any member elected by the members present shall preside at such meeting of the EC Board.

(6) Subject to the preceding provisions of this section, the EC Board may regulate the procedure to be followed for the summoning and holding of meetings of the EC Board and the transaction of business at such meetings.

Acts or proceedings of the EC Board deemed not to be invalid by reason of any vacancy

**23.** The EC Board may act notwithstanding any vacancy among its members, and any act or proceeding of the EC Board shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

Remuneration of the members of the EC Board

**24.** The Chairperson and the members of the EC Board shall be paid such remuneration in such manner and at such rates as may be determined by the Minister, with the concurrence of the Minister assigned the subject of Finance.

**25.** (1) The seal of the Economic Commission shall be as determined by the EC Board.

Seal of the  
Economic  
Commission

(2) The seal of the Economic Commission –

(a) may be altered in such manner as may be determined by the Economic Commission; and

(b) shall be in the custody of such person or persons as the Economic Commission may determine from time to time.

(3) The seal of the Economic Commission shall not be affixed to any instrument or document except with the sanction of the EC Board and in the presence of the Chairperson and one other member of the EC Board who shall sign the instrument or document in token of their presence:

Provided however, where the Chairperson is unable to be present at the time when the seal of the Economic Commission is affixed to any instrument or document, any other member of the EC Board authorized in writing by the Chairperson on that behalf shall be competent to sign such instrument or document in accordance with the preceding provision of this subsection.

(4) The EC Board shall maintain a register of the instruments and documents to which the seal of the Economic Commission has been affixed.

## **CHAPTER V**

### **DIRECTOR GENERAL AND STAFF OF THE ECONOMIC COMMISSION**

**26.** (1) There shall be a Director General of the Economic Commission (hereinafter referred to as the “EC Director General”) appointed by the Minister on the recommendation of the EC Board and who shall be the Chief Executive Officer and Accounting Officer of the Economic Commission.

Director General

(2) The qualification and experience of the person who shall be appointed as the EC Director General and the terms and conditions of employment of the EC Director General shall be as prescribed by regulation.

(3) The EC Director General shall, subject to the general or special directions and control of the EC Board –

- (a) be charged with the administration of the affairs of the Economic Commission including the administration and control of the staff;
- (b) be responsible for the execution of all decisions of the EC Board; and
- (c) carry out all such functions as may be assigned to him by the EC Board.

(4) The EC Director General shall be entitled to be present and speak at any meeting of the EC Board, but shall not be entitled to vote at such meeting.

(5) The EC Board may delegate such of its powers, duties and functions under this Part, as it may determine, either to the EC Director General or to any officer of the Economic Commission and the EC Director General or any officer of the Economic Commission shall exercise, perform and discharge such delegated powers, duties and functions subject to the direction and supervision of the Economic Commission.

(6) The EC Director General may, with the approval of the EC Board, delegate in writing to any administrative unit or officer or employee of the Economic Commission, such of the powers, duties or functions of the EC Director General as may be considered necessary from time to time, and any such administrative unit or officer or employee to whom any such powers, duties or functions are delegated, shall be responsible for the same, and shall exercise, perform and discharge them subject to the direction and supervision of the EC Board or the EC Director General.

(7) The EC Director General shall be responsible and answerable to the EC Board in the exercise, performance and discharge of his powers, duties and functions under this Part.

(8) The Minister may, in consultation with the EC Board, and subject to the provisions of subsection (9), remove the EC Director General from office-

- (a) if he becomes permanently incapable of performing his duties;
- (b) if he has done any act which, in the opinion of the EC Board, is of a fraudulent or illegal character or is prejudicial to the interests of the Economic Commission; or
- (c) if he has failed to comply with any directions issued by the EC Board.

(9) Prior to being removed under subsection (8), the EC Director General shall be issued a notice in writing to show cause as to why he should not be removed from office and be given an opportunity of being heard against any allegations made against him.

(10) The office of the EC Director General shall become vacant upon the death, removal from office under subsection (8) or resignation by letter in that behalf addressed to the Minister by the holder of that office.

(11) If any vacancy occurs in the office of the EC Director General, the Minister may, in consultation with the EC Board, appoint an appointed member of the Board to exercise, perform and discharge the powers, duties and functions of the EC Director General until an appointment is made under subsection (1).

(12) The EC Director General shall be paid such remuneration as may be determined by the EC Board in consultation with the Minister.

Staff of the  
Economic  
Commission

**27.** (1) The Economic Commission may create cadre positions and employ officers and employees as it considers necessary for the efficient discharge of its functions for the purposes of carrying out its duties and functions under the provisions of this Part.

(2) The EC Board may, in respect of the officers and employees employed under subsection (1) –

- (a) determine the terms and conditions of employment of such officers and employees;
- (b) fix the rates at which such officers and employees shall be remunerated in consultation with the Minister assigned the subject of Finance;
- (c) exercise disciplinary control over or dismiss such officers and employees; and
- (d) implement a code of conduct which shall be applicable to such officers and employees.

(3) The EC Board may make rules in respect of all or any of the matters referred to in subsection (2).

(4) The Economic Commission shall promote and sponsor the training of technical personnel on the subjects of investment, trade and other related subjects and for this purpose, the Economic Commission shall be authorized to defray the costs of study, in Sri Lanka or abroad of such officers.

(5) The Economic Commission shall not appoint any person to the staff of the Economic Commission, if such person-

- (a) has been previously found guilty of a crime or an act of serious misconduct by a civil court or tribunal or has been subject to proceedings for a regulatory, code of conduct or related violation by a regulator in Sri Lanka or abroad; or
- (b) has committed a breach of the provisions of this Part or regulations, rules or directives made thereunder.

**28.** (1) At the request of the Economic Commission any officer in the public service may, with the consent of the officer and the Public Service Commission be temporarily appointed to the staff of the Economic Commission for such period as may be determined by the Economic Commission or with like consent, be permanently appointed to such staff.

Appointment of public officers to the staff of the Economic Commission

(2) Where any officer in the public service is temporarily appointed to the staff of the Economic Commission, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall *mutatis mutandis*, apply to and in relation to such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Economic Commission, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall *mutatis mutandis*, apply to and in relation to such officer.

(4) Where the Economic Commission employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service with the Economic Commission by that person shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

**CHAPTER VI**

FINANCE

Financial  
management of  
the Economic  
Commission

**29.** The EC Board shall be charged with the financial management of the Economic Commission and the due operation and management of the EC Fund established in terms of section 30.

Fund of the  
Economic  
Commission

**30.** (1) The Economic Commission shall have its own Fund (hereinafter referred to as the “EC Fund”).

(2) There shall be paid into the EC Fund-

- (a) all such sums of money as may be voted by Parliament for the use of the Economic Commission;
- (b) all such sums of money as may be received by the Economic Commission through the exercise, performance and discharge of its powers, duties and functions either directly or through entities created by it under this Part;
- (c) all such sums of money as may be paid as fees under the provisions of this Part; and
- (d) upto ten *per centum* of the fees charged by the Zones SL to issue any licence under Part III, as may be determined by the Economic Commission under paragraph (m) of section 13.

(3) There shall be paid out of the EC Fund all such sums as are required to defray expenditure incurred by the Economic Commission in the exercise, performance and discharge of its powers, duties and functions under this Part or under any other written law and all such sums as are required to be paid out of the EC Fund.



(4) Monies belonging to the EC Fund may be invested by the Economic Commission in such manner as may be determined by the EC Board.

**31.** (1) The financial year of the Economic Commission shall be the calendar year.

Financial year  
and audit of  
accounts of the  
Economic  
Commission

(2) The Economic Commission shall cause proper books of accounts to be kept of the income, expenditure, assets and liabilities and all other financial transactions of the Economic Commission.

(3) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of accounts of the Economic Commission.

(4) The EC Board shall submit the audited statement of accounts together with the auditor's report to the Minister to be tabled in Parliament.

## **CHAPTER VII**

### **NATIONAL POLICIES ON INVESTMENT, INTERNATIONAL TRADE AND INVESTMENT ZONES**

**32.** (1) The Economic Commission shall formulate and recommend to the Cabinet of Ministers the national policies on investment, international trade and investment zones, to enable the realization of the National Policy on Economic Transformation as specified in sections 3 and 4, and forward the same to the President and the Minister.

National  
policies on  
investment,  
international  
trade and  
investment  
zones

(2) The Minister shall, upon receipt of approval from the Cabinet of Ministers cause such national policies on investment, international trade and investment zones to be published in the *Gazette* and tabled in Parliament for approval.

(3) Upon receipt of approval from Parliament under subsection (2), the national policies as so approved shall be the national policies on investment, international trade, and investment zones.

(4) It shall be the duty of the Economic Commission and other related statutory bodies, Provincial Councils, Provincial Ministries, departments and any other local authorities to comply with the national policies on investment, international trade and investment zones.

(5) The Economic Commission shall ensure that it consults and coordinates with other agencies having responsibilities for substantive matters relating to the matters of investment and international trade in formulating the national policies on investment, international trade and investment zones.

## CHAPTER VIII

### ELIGIBILITY AND REGISTRATION OF FOREIGN INVESTORS

Eligibility of  
foreign investors  
and prohibitions  
and restrictions

**33.** (1) (a) Subject to the provision of subsection (1)(c), foreign investments shall be permitted into all sectors and regions of Sri Lanka. Foreign investors shall be permitted to own one hundred *per centum* of the shares in entities engaged in such sectors and regions, unless otherwise determined by way of regulations made under the provision of this Part or any other written law.

(b) Foreign direct investments into Sri Lanka may take any legal form recognized by the laws of Sri Lanka, including new investment into companies incorporated under the Companies Act, No. 07 of 2007 or as investments into existing local companies.

(c) A negative list containing sectors and industries which are prohibited or restricted for foreign investors shall be prescribed by regulations made under this Part.

(2) Notwithstanding anything to the contrary contained herein, the Minister may with the approval of the Cabinet of Ministers introduce new entry requirements or restrictions for foreign investments into Sri Lanka by regulations made under this Part, if deemed necessary for reasons of national security, public emergency, public safety and environmental protection.

**34.** (1) Notwithstanding the provisions of section 33, foreign investors shall register their foreign investments with the Economic Commission as provided in this section to be eligible for the protections afforded to foreign investors and investments in this Part.

Registration of foreign investments

(2) For avoidance of doubt, registration under subsection (1) does not exempt foreign investors and foreign investments made thereunder, from having to comply with and adhere to any other requirements or conditions that may be imposed by any other written law in force in Sri Lanka.

(3) Domestic investors shall be required to register their investments with the Economic Commission to obtain facilitation services under this Part and its implementing regulations.

## CHAPTER IX

### INVESTMENT GUARANTEES

**35.** The provisions in this Part shall not apply to any bilateral and multilateral investment treaties or the investment chapters of any free trade agreements entered into by Sri Lanka with any sovereign state.

Provisions of this Part not to apply to bilateral and multilateral investment treaties &c

**36.** (1) All investments established in Sri Lanka shall receive fair and equitable treatment and shall enjoy full protection and security.

Fair and equitable treatment

(2) For the purposes of this Part-

“fair and equitable treatment” means the obligation to not to deny justice, in any criminal, civil or administrative proceedings in accordance with due process and the laws of Sri Lanka; and

“full protection and security” means the provision of protection for physical security of investments as required under the laws of Sri Lanka.

National  
treatment and  
most favoured  
nation treatment

**37.** (1) (a) Foreign investments and returns on investments of foreign investors shall be accorded treatment not less favourable than that accorded to domestic investors, in like circumstances, as regards acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.

(b) For greater certainty “in like circumstances” shall be assessed based upon an objective assessment of all circumstances on a case-by-case basis, including the sector of investment, the location of the investment, the purpose of any act or measure complained of and the regulatory, governance or legal process generally applied in relation to the act or measure concerned. The assessment shall not be limited to or biased towards any one factor.

(2) A foreign investor shall not be discriminated in any form, in like circumstances, including but not limited to their citizenship, residency, religion, place of registration or the state of origin of the investment.

(3) The provisions of subsections (1) and (2) shall not be construed to oblige Sri Lanka to extend to the foreign investors and foreign investments, the benefit of any treatment, preference or privilege resulting from-

- (a) any existing or future customs, economic or monetary union, free trade area or similar international agreements to which Sri Lanka is or may become a party in the future;
- (b) any international agreement or arrangement or any domestic regulation, wholly or partially related to taxation;
- (c) any bilateral agreement in force or entered into in the future; or
- (d) any sectors or services that are exclusively reserved to nationals in accordance with the laws of Sri Lanka.

**38.** (1) All payments relating to a foreign investment shall be freely transferable, into and out of Sri Lanka, in accordance with laws and regulations in force, without delay, and in freely convertible currency. Such transfers shall include, in particular-

Payments relating to a foreign investment to be freely transferable

- (a) initial capital and additional amounts to maintain or increase an investment;
- (b) return of the investment invested;
- (c) payments made under a contract, including repayments pursuant to a loan agreement, royalties, fees;
- (d) proceeds from the sale or liquidation of all or any part of an investment;
- (e) payments of compensation under section 39;
- (f) payments arising out of the settlement of an investment dispute; and
- (g) earning and other remuneration of personnel engaged from abroad in connection with an investment.

(2) The transfers referred to in subsection (1) shall be subjected to any payments, dues, fees, levies or any other similar obligation that is due in terms of such laws or regulations. The amount permitted for transfer under this section shall be the balance after deduction of the financial obligations referred to herein.

(3) The market rate of exchange published by the Central Bank of Sri Lanka prevailing on the date of transfer shall be applicable for the purpose of this section and in the absence of a market for foreign exchange, the rate to be used shall be the most recent exchange rate for the conversions of currencies into Special Drawing Rights.

(4) Without prejudice to the foregoing, the equitable, non-discriminatory and good faith actions and measures taken to temporarily restrict the transfer of funds, out of Sri Lanka, shall not be interpreted to mean a violation of this section, in the occurrence of the following events:-

- (a) serious balance of payment difficulties;
- (b) if movements of capital will cause serious difficulties for macroeconomic management;
- (c) bankruptcy, insolvency or the protection of the rights of the creditors;
- (d) the issuing, trading or dealing with securities;
- (e) criminal or penal offences and the recovery of the proceeds of crime; or
- (f) ensuring the satisfaction of judgments in adjudicatory proceedings.

(5) The duration of the restrictions relating to transfer of payments stated in paragraphs (a) and (b) of subsection (4) shall be applied only for a period that is absolutely necessary to remedy the balance of payments situation.

**39.** (1) No investment shall be expropriated or nationalized or no measures shall be taken having equivalent effect of nationalization or expropriation (hereinafter referred to as “expropriation”) except in the public interest-

Expropriation

- (a) on a non-discriminatory basis;
- (b) on the principle of proportionality;
- (c) in accordance with due process of law; and
- (d) accompanied by expeditious payment of adequate and effective compensation.

(2) In the case of expropriation-

- (a) compensation shall amount to fair market value of the investment expropriated on the day before the expropriation or impending expropriation takes place or became publicly known, whichever is earlier, and shall not reflect any change in value occurring because the intended expropriation had become publicly known earlier. Valuation criteria shall be on the basis of going concern value, asset value including declared tax value of tangible property, and other criteria, as appropriate, to determine fair market value;
- (b) if the market value cannot be ascertained, the compensation shall be determined in taking into account all relevant factors and circumstances, such as the capital invested, the nature and duration of the investment, replacement and book value, in accordance with fair market value as per international standard of valuation;

- (c) compensation shall be paid without delay, be effectively realizable and freely transferable. Compensation shall be paid within six months from the date of expropriation. Until the time compensation is paid, the investment can continue to operate.

(3) An investor affected by an expropriation shall have the right to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the provisions of this section.

(4) Any non-discriminatory measures designed and applied to protect legitimate public welfare objectives, such as health, safety and the environment, shall not constitute expropriation or nationalisation, except in the circumstance when the impact of a measure or series of measures is so severe in light of its purpose that it appears manifestly excessive.

(5) In case of expropriations under the Land Acquisition Act (Chapter 450), the payment of compensation shall be in accordance with the provisions of that Act.

Pre-  
establishment  
rights

**40.** For the avoidance of doubt, none of the provisions in sections 36, 37, 38 and 39 shall be deemed to grant pre-establishment rights to any foreign investor or investment.

Obligations of  
foreign  
investors

**41.** (1) Foreign investors and their investments shall comply with all laws, regulations, administrative guidelines and policies in force in Sri Lanka, concerning the establishment, acquisition, management, operation and disposition of such investments.

(2) Foreign investors and their investments shall not, either prior to or after the establishment of an investment,



offer, promise, or give any undue pecuniary advantage, gratification or gift whatsoever, whether directly or indirectly, to an official in charge of investment, to a public official or to any other person in a decision making capacity with regard to its investment, or offer an inducement or reward for doing or forbearing to do any official act or obtain or maintain other improper advantage nor shall be complicit in inciting, aiding, abetting or conspiring to commit such acts.

(3) Foreign investors and their investments shall comply with the laws, so long as they are applicable, concerning taxation, including timely payment of their tax liabilities.

(4) Foreign investors shall provide such information, when called upon to do so by the authorities concerning their investment, for purposes of decision making in relation to that investment or for statistical purposes.

(5) Foreign investors and their investments shall endeavour to voluntarily incorporate internationally recognized standards of corporate social responsibility in their practices and internal policies. These principles may address issues such as labour, the environment, human rights, community relations and anti-corruption.

## **CHAPTER X**

### **TRANSPARENCY AND DISPUTE SETTLEMENT**

**42.** (1) (a) The Economic Commission shall endeavour to publish all laws, regulations, orders, rules and where legally permissible, judgments and administrative rules on a single website to provide investors with easy access to such information and material.

Transparency

(b) Where possible, the Economic Commission may consult with and provide investors with an opportunity to make representations on proposed regulations, rules, directions or orders which affect their rights as investors.

(2) Where any administrative proceedings are initiated against any investor or investment, all the rights, procedures and due processes afforded to any citizen under the law in respect of such proceedings shall be afforded to the investor.

Prevention of  
disputes between  
foreign investors  
and State

**43.** (1) The Economic Commission shall by itself or through its agencies, set up a Grievance Committee to which a foreign investor may refer any grievance arising from any dispute, difference, disagreement or any matter between the foreign investor and the State (relating to the foreign investment) for settlement through a consultative process. The Economic Commission shall, by way of rules made under this Part, formulate provisions for the composition and procedures for such purpose including stipulation of the responsibilities of the Grievance Committee.

(2) The Grievance Committee and the authorities shall make their best efforts to resolve foreign investors' grievances amicably and in a consultative manner.

(3) The Grievance Committee may contact the parties in question and the competent administrative authorities to request clarifications, documents and answers to the inquiries it sees necessary, and it may draw on the diverse expertise and specializations available to the Economic Commission and to other administrative authorities.

Dispute  
settlement

**44.** (1) Investment disputes under this Part shall be settled promptly and amicably through consultations and negotiations between the parties.

(2) Where an amicable solution cannot be reached, any investor shall have the right to use all other remedies under the laws of Sri Lanka:

Provided that, where the dispute relates to one between a foreign investor and the State, the parties may agree to seek settlement of disputes, through alternate dispute resolution mechanisms including *ad hoc* arbitration and institutional arbitration.

(3) If any award is made by a foreign arbitral tribunal, such award shall be recognized and enforceable in Sri Lanka in accordance with the laws of Sri Lanka including the Arbitration Act, No. 11 of 1995.

(4) For the purposes of this section, “parties” means the investor and any Government institution, an investor has dealings with in respect of his investment.

## CHAPTER XI

### INCENTIVES

**45.** The Economic Commission may recommend incentives and exemptions from the laws specified in the Schedule to this part to be granted to investments, from time to time. Such incentives and exemptions shall become applicable upon the Minister prescribing the same by regulations made under this Part:

Incentives and exemptions

Provided however, that investments shall remain eligible for all incentives and exemptions as may be generally provided under any other applicable law.

## CHAPTER XII

### SPECIAL POWERS OF THE ECONOMIC COMMISSION

Special powers  
of the Economic  
Commission for  
expediting  
approvals

**46.** (1) Where an investor that applies to the Economic Commission or an investment registered with the Economic Commission requires any approvals, authorizations or permits from Ministries, Government departments, agencies, corporations, regulatory authorities or bodies named by the Cabinet of Ministers on the recommendation of the Minister and prescribed by regulations made under this Part (hereinafter referred to as “Specified Institutions”) the Economic Commission shall be empowered to facilitate the procurement of such approvals, authorizations or permits.

(2) Where the Economic Commission makes an inquiry or request to any Specified Institution for an approval, authorization, or permit in terms of subsection (1), such Specified Institution shall be obliged to respond to such inquiry or request either consenting to or objecting to such inquiry or request within fifteen days of such inquiry or request being made. If the Specified Institution refuses to respond to such inquiry or denies such request, written reasons for such refusal or denial shall be provided in writing within such period of twenty one days of such inquiry or request.

(3) All Specified Institutions shall be required to collaborate with the Economic Commission to enable it to perform its functions and meet its objects.

(4) The Minister may, by regulations made under this Part, prescribe procedures for such collaboration, which shall be complied with by Specified Institutions in line with standing operating procedures on granting approvals for investment projects formulated by the Economic Commission through a consultative process.

(5) If a Specified Institution refuses, denies or fails to respond to an inquiry or request as per the regulations made under subsection (1) or (4), the Economic Commission shall if deemed appropriate, refer such refusal, denial or failure to the Minister forthwith, who shall, within two weeks refer the matter to the Cabinet of Ministers for appropriate action.

**47.** (1) The Economic Commission may call upon any Government agency, local authority, body, authority or person to furnish information, details, documents and particulars as may be required by the Economic Commission in connection with or regarding any matters in relation to the discharge of its functions under this Part. Any Government agency, local authority, body, authority or person to which such a request is made shall be required to furnish such information to the Economic Commission without delay.

Power to call for information

(2) The Economic Commission shall have the power to coordinate with any government agency, local authority, body, authority or person to monitor the status of foreign investments in Sri Lanka.

### **CHAPTER XIII**

#### **ESTABLISHMENT OF INVEST SRI LANKA**

**48.** (1) The Economic Commission shall establish an entity which shall be called the “Invest Sri Lanka” to be incorporated under the Companies Act, No. 07 of 2007.

Establishment of Invest Sri Lanka

(2) The Invest Sri Lanka shall be governed by a Board of Directors (hereinafter referred to as the “Invest SL Board”) consisting of not less than three and not more than five members appointed by the Economic Commission.

(3) The Chairperson of the Invest SL Board shall be appointed by the Economic Commission from amongst the members of the Invest SL Board.

(4) (a) The Chief Executive Officer of Invest Sri Lanka shall be appointed by the Economic Commission who also shall be the Accounting Officer.

(b) The day-to-day management of Invest Sri Lanka shall be vested in the Chief Executive Officer and the Chief Executive Officer shall be responsible for implementing policies and programs and for managing staff and resources. The qualifications, remuneration, allowances and terms and conditions of employment of the Chief Executive Officer shall be as may be decided by the Invest SL Board from time to time.

(5) All expenses including salaries of the staff of Invest Sri Lanka shall be allocated by the Economic Commission.

(6) The Minister may, on the recommendation of the Economic Commission, make regulations as may be necessary from time to time to supplement the operational procedures for Invest Sri Lanka.

Powers of the  
Invest SL Board

**49.** The Invest SL Board shall have the power-

(a) to request and obtain from any Government agency, local authority or any other body or authority or person any information, details, documents and particulars as may be required by Invest Sri Lanka in connection with or in relation to any investment, which such government agency, local authority or body or authority or person shall furnish to the Invest SL Board without any delay or default;

- (b) to coordinate with Government departments to track and compile the status of significant projects of foreign investments and economic development in Sri Lanka;
- (c) to appoint Advisory Councils as it deems fit to assist it in the exercise, performance and discharge of its powers, duties and functions;
- (d) to appoint any committee consisting of such persons as it may think fit and delegate such powers as it may determine necessary. Every committee appointed under this paragraph shall conform to any directions that may, from time to time, be given to it by the Invest SL Board and the said Invest SL Board may at any time alter the constitution of any committee so appointed or rescind any such appointment;
- (e) to appoint skilled persons, experts and consultants as it deems necessary at competitive market rates as it may consider necessary for the performance and discharge of the duties and functions of Invest Sri Lanka; and
- (f) to generally do such other acts or things necessary to perform and discharge the duties and functions specified in section 50 and to promote and facilitate investment opportunities in Sri Lanka.

**50.** The duties and functions of the Invest SL Board shall be-

Duties and  
functions of  
Invest SL Board

- (a) to identify investment opportunities in Sri Lanka;
- (b) to promote Sri Lanka as an investment destination;

- (c) to provide information and guidance to potential investors on matters which shall include *inter alia*, the investment climate, laws and regulations, and business opportunities;
- (d) to facilitate the establishment, retention and expansion of investments by providing assistance with regulatory approvals, permits and licences;
- (e) to connect potential investors with local businesses and partners;
- (f) to represent the country's interests in international investment fora and conferences;
- (g) to promote collaboration between the Government, the private sector, and the investment community;
- (h) to implement national investment promotion strategies; and
- (i) to coordinate with other Government agencies which would be necessary for the purpose of investment promotion.

## CHAPTER XIV

### GENERAL PROVISIONS

Members,  
officers and  
other employees  
of the Economic  
Commission  
deemed to be  
public servants

**51.** All members of the EC Board, EC Director General and the officers and other employees of the Economic Commission, all members of the Invest SL Board shall be deemed to be public servants within the meaning, and for the purposes of the Penal Code (Chapter 19).



**52.** The Economic Commission shall be deemed to be a scheduled institution within the meaning of the Anti-Corruption Act, No. 9 of 2023, and the provisions of that Act shall be construed accordingly.

Economic Commission deemed to be a scheduled institution

**53.** No civil or criminal proceedings shall be instituted against any members of the EC Board, EC Director General, officer or employee of the Economic Commission or any member of the Invest SL Board, for any act which in good faith is done or purported to be done by him under this Act or on the directions of the Economic Commission or the EC Board, as the case may be, if he proves that he acted in good faith and exercised all due diligence, reasonable care and skill.

Protection for action taken under this Act

**54.** (1) Any expense incurred by the Economic Commission in any suit or prosecution brought by or against the Economic Commission before any Court, shall be paid out of the EC Fund and any costs paid to, or recovered by the Economic Commission in any such suit or prosecution shall be credited to the EC Fund.

Expenses in suit or prosecution to be paid out of the EC Fund

(2) Any expense incurred by any member of the EC Board, EC Director General, officer or employee of the Economic Commission or any member of the Invest SL Board in any suit or prosecution brought against such person before any court or tribunal in respect of any act which is done or is purported to be done by such person under the provisions of this Act or on the direction of the Economic Commission shall, if the court holds that such act was done in good faith, be paid out of the EC, Fund unless such expense is recovered by such person in such suit or prosecution.

**55.** (1) The Minister may, in consultation with the EC Board, make regulations in respect of all matters which are required by this Act to be prescribed or in respect of which regulations are authorized to be made.

Regulations

(2) In particular and without prejudice to the generality of the provisions contained in subsection (1), the Minister may, in consultation with the EC Board, make regulations in regard to –

- (a) determine the scope and extent of any exemption or modification of any of the written laws set out in the Schedule to this Part which may be required for the attainment of the objects of this Part especially for the promotion and facilitation of foreign direct investments;
- (b) provide for any matter which is deemed necessary to implement the provisions of this Part including but not limited to-
  - (i) specifying the procedure for investment promotion, facilitation and after care activities through the creation of legal entities and otherwise;
  - (ii) specifying the manner and procedure for the goods and services to be brought into or brought out of any declared investment zone, licensed enterprises or registered enterprises;
  - (iii) specifying the procedure for the promotion of international trade;
  - (iv) specifying the procedure for staff and all other matters connected thereto in respect of section 48:

Provided however, regulations shall not be made under this section providing terms and conditions less favourable than the terms and conditions of employment to which the officers and employees of the BOI holding

office on the day immediately preceding the appointed date were entitled;

- (v) specifying the fees and charges to be levied for any services provided under this Part;
- (vi) specifying the categories and criteria of registration and licensing under this Part;
- (vii) allocation of such staff to the Economic Commission and they shall be deemed to be employed by the Economic Commission with effect from the date of such regulation; and
- (viii) require all foreign investments falling under the repealed Board of Investment of Sri Lanka Law, No. 4 of 1978 to register with the Economic Commission within a period specified in the regulations made under this section.

(3) Every regulation made under this section shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in such regulation.

(4) Every regulation made under this section shall, within three months from the date of its publication in the *Gazette*, be placed before Parliament for approval. Every regulation which is not so approved shall be deemed to be rescinded as from the date of disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

Rules	<p><b>56.</b> (1) Subject to the provisions of this Part, the Economic Commission may make rules in respect of all matters which rules are authorized to be made under this Part.</p> <p>(2) Every rule made by the Economic Commission shall be published in the <i>Gazette</i> and shall come into operation upon such publication.</p>
Removal of difficulties	<p><b>57.</b> (1) If any difficulty arises in giving effect to the provisions of this Part, the Minister may, in consultation with the EC Board, by Order published in the <i>Gazette</i>, make provisions which are not inconsistent with the provisions of this Part, or any other written law, as appears to the Minister to be necessary or expedient for removing the difficulty:</p> <p>Provided that, no such Order shall be made after the expiry of a period of five years from the date of coming into operation of this Part.</p> <p>(2) Every Order made under this section shall, within three months after it is made, be laid before Parliament for approval and such Order shall become operative only upon receipt of the approval therefor of Parliament.</p>
This part to prevail	<p><b>58.</b> In case of any inconsistency between the provisions of this Part and provisions of any other law relating to investments or the promotion of international trade or investment zones the provisions of this Part shall prevail.</p>
Interpretation	<p><b>59.</b> (1) In this Part, unless the context otherwise requires-</p> <p style="padding-left: 40px;">“foreign investment” means an investment made by a foreign investor as an investor in terms of this Part;</p> <p style="padding-left: 40px;">“foreign investor” means a natural person or an enterprise recognized as a legal entity by the applicable laws of a foreign country, that has made an investment in Sri Lanka in terms of this Part;</p>

“investor” means a natural person or an enterprise recognized as a legal entity by the applicable laws, that has made an investment in Sri Lanka in terms of this Part;

“investment” means every kind of asset that an investor owns or controls, directly or indirectly, that has the characteristics of an investment, which includes the commitment of capital or other resources for a certain duration, the expectation of gain or profit, or the assumption of risk including-

- (a) an enterprise;
- (b) shares, stock, and other forms of equity participation in an enterprise other than an investment made on a securities or stock exchange;
- (c) bonds, debentures, loans and other debt instruments of an enterprise;
- (d) turnkey, construction, management, production, concession, revenue-sharing and other similar contracts;
- (e) claims to money or to other assets or to any contractual performance having an economic value associated with an investment;
- (f) intellectual property rights in accordance with the relevant domestic laws;
- (g) licences, authorizations, permits and similar rights conferred pursuant to applicable domestic law; or

- (h) other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages, liens and pledges,

but does not include-

- (i) an asset which lacks the characteristics of an investment, regardless of the form it may take;
- (ii) a donation; and
- (iii) an order or judgment entered in a judicial or administrative action.

“Investment Zones” shall mean export processing zones, industrial parks, special economic zones and other similar areas for the establishment of investments, whether declared under this Part or any other law referred to in this enactment and shall include licensed zones as referred to in the repealed Law;

“registered enterprise” means an enterprise approved or registered as the case may be under paragraph (h) of section 13;

“return” means an amount yielded by or derived from an investment, including profits, dividends, interest, capital gains, royalty payments, payments in connection with intellectual property rights, and all other lawful income;

“Specified Institution” means any of the entities named by regulations made under section 46.

(2) For the purpose of this Part-

(a) “loans and other debt instruments” and “claims to money or to any contractual performance” refer to assets which relate to a business activity associated with an investment and do not refer to assets which are of a personal nature, unrelated to any business activity associated with an investment;

(b) “claims to money” do not include-

- (i) claims to money that arise solely from commercial contracts for the sale of goods or services;
- (ii) the domestic financing of such contracts; or
- (iii) any order, judgment or arbitral award related to sub paragraph (i) or (ii).

**SCHEDULE**

(sections 45 and 55)

1. Customs Ordinance (Chapter 235)
2. Companies Act, No. 07 of 2007
3. Inland Revenue Act, No. 24 of 2017
4. Finance Act, No. 18 of 2021
5. Foreign Exchange Act, No. 12 of 2017
6. National Film Corporation of Sri Lanka Act, No. 47 of 1971
7. Merchant Shipping Act, No. 52 of 1971

*Economic Transformation  
Act, No. 45 of 2024*

8. Civil Aviation Act, No. 14 of 2010
9. Ceylon Electricity Board Act, No. 17 of 1969
10. National Water Supply and Drainage Board Law, No. 2 of 1974
11. Sri Lanka Ports Authority Act, No. 51 of 1979
12. Ceylon Petroleum Corporation Act, No. 28 of 1961

**PART III**

**CHAPTER XV**

APPLICATION OF THIS PART

Application of  
this Part

**60.** (1) The provisions of this Part shall apply to investment zones in Sri Lanka.

(2) The provisions of this Part shall not apply to the Colombo Port City Special Economic Zone established under section 2 of the Colombo Port City Economic Commission Act, No. 11 of 2021.

**CHAPTER XVI**

ESTABLISHMENT OF THE INVESTMENT ZONES SRI LANKA

Establishment of  
Investment  
Zones Sri Lanka

**61.** (1) There shall be established an entity called the Investment Zones Sri Lanka (in this Act referred to as the “Zones SL”).

(2) The Zones SL shall, by the name assigned to it under subsection (1), be a body corporate with perpetual succession and a common seal and may sue and be sued in such name.



**62.** (1) The Zones SL shall have its principal office in Sri Lanka and may establish any office or other representation within or outside Sri Lanka.

Principal office and the departments under the Zones SL

(2) The Zones SL may establish such number of administrative units within the Zones SL as may be required for the efficient exercise, performance and discharge of its powers, duties and functions in terms of this Part.

**63.** (1) The Zones SL shall in the performance and discharge of its duties and functions, exercise the following powers: -

Powers of the Zones SL

- (a) to conduct studies it deems necessary to decide on the need for the creation or expansion of investment zones;
- (b) to make recommendations to the Economic Commission on the need for or expansion of investment zones;
- (c) to operate and manage investment zones on behalf of the Government of Sri Lanka in accordance with the provisions of this Part and create the necessary infrastructure containing state of the art facilities for investments located therein including roads, electric power, water supply, housing and such other facilities and amenities as required and implement such concessions and exercise such powers and discharge such functions as delegated to it by the Economic Commission under this Act;
- (d) to carry out detailed studies for the economic development projects through investment zones;
- (e) to establish and enhance the cooperation between inter agencies of every Ministry, department, Provincial Council, Provincial Ministry and

department and local authority and other persons or body of persons whether private or public in carrying out studies and implementation of investment zones and special development areas;

- (f) to supervise and regulate the management of investment zones;
- (g) to make recommendations to the Minister on making regulations in relation to the supervision, regulation, operation or management of the investment zones;
- (h) to cause to prepare an environmental impact assessment report in respect of any economic development projects, plans, programmes of schemes within the investment zones or special development areas;
- (i) to make recommendations to the Minister on policy matters on all aspects of declaration, approval or establishment, operation, management, supervision and regulation of investment zones declared and managed under this Part;
- (j) to ensure every investment zone maintains an environment for promoting investments thereby enhancing the employment opportunities;
- (k) to hold shares in a public-private partnership entity established for the purpose of developing and managing the designated economic development zone;
- (l) to impose or levy a charge for the services rendered by the Zones SL within the designated investment zones;

- (m) to appoint investment zone developer for each investment zone declared under this Part and to develop and manage the acquired land and different type of infrastructure thereof;
- (n) to allot land, building or site, on commercial basis in prescribed manner, to investors applied for establishing investment zones and service providers in investment zones;
- (o) to ensure infrastructure development of investment zones within specified period through monitoring of activities of its own and of economic zone developers;
- (p) to create opportunities for employment by promoting local and foreign investment including development of skilled labour force;
- (q) to encourage more efficient management and monitor programmes for implementing commitments on environment and other matters;
- (r) to purchase, take and hold any property, movable or immovable, which may become vested in it and to sell, mortgage, lease, convey, devise, assign, exchange or dispose of any such movable or immovable property;
- (s) to enter into any agreements as it deems fit with any party for the purpose of setting up the investment zones or any part or facilities within such investment zones;
- (t) to enter into lease agreements with investors approved for location within the investment zones;

- (u) to enter into sales, supply or lease or management agreements in respect of investment locations within investment zones;
- (v) to enter into agreements with other institutions or agencies to receive bulk supply, store, recoup or regenerate all utilities, including electricity, water, fuel and other energy sources and distribute to entities located within a specific investment zone, and charge for such utilities as appropriate, subject to compliance with industry accepted safety and environmental standards;
- (w) to levy and recover any fees, charges or other payments in respect of lease, rents and other facilities provided by the Zones SL within the investment zones;
- (x) to employ such officers and staff including consultants and advisors subject to such terms and conditions as the Zones SL may consider appropriate to enable it to discharge its functions under this Part;
- (y) to invest its funds in such manner as the Zones SL may deem necessary including the opening, operation and closing of bank accounts;
- (z) to receive grants, gifts or donations whether from local or foreign sources:
- (aa) to give special or general directives to any persons or entity for the purpose of discharging its objects and functions as set out above;
- (ab) to establish Special Purpose Vehicles at the zone level or by amalgamating several investment zones and also exit the investment if required to the private sector;

- (ac) to establish necessary social infrastructure developments including accommodation for workers within investment zones;
- (ad) to appoint experts or consultants as deemed necessary, to discharge its functions prudently; and
- (ae) to do any other acts as may be necessary or conducive to the attainment of the objects and discharge of functions of the Zones SL under this Part.

(2) Any land within any zone declared under subsection (1) of section 15 may be alienated or leased to any body-corporate for developing an investment zone to achieve the objects of the Zones SL and in accordance with any plans, programmes or schemes made under this Part.

(3) The Zones SL may, subject to any written law, undertake or approve the development, operation and maintenance and the financial assistance for appropriate infrastructure up to the perimeter of such designated investment zone.

(4) For the purpose of this section “Special Purpose Vehicles” means a company incorporated under the Companies Act, No. 07 of 2007.

**64.** The duties and functions of the Zones SL shall be-

Duties and  
functions of the  
Zones SL

- (a) to conduct studies on the need for investment zones to facilitate the national policies on investment, international trade, exports and investment zones formulated by the Economic Commission;
- (b) to identify and select sites for the establishment of investment zones;

- (c) to recommend such investment zones to the Economic Commission for obtaining approval of the Cabinet of Ministers to proceed with their establishment;
- (d) to manage and operate such investment zones whether directly or through any partnership, joint venture or management agreement or any other arrangement approved by the Economic Commission;
- (e) to exercise any of the powers of granting approvals and authorizations under the laws and regulations as provided for herein;
- (f) to cooperate with and liaise with any Governmental authority as may be necessary for facilitating the operations of and within the investment zones; and
- (g) to do all such other acts as may be necessary or conducive to the attainment of any or all of the above objects.

## CHAPTER XVII

### ADMINISTRATION AND MANAGEMENT OF THE ZONES SL

Composition of  
the Zones SL  
Board

**65.** (1) The administration and management of the affairs of the Zones SL shall be vested in a Board (in this Part referred to as the “Zones SL Board”).

(2) The Zones SL Board shall, for the purpose of administering and managing the affairs of the Zones SL, exercise, perform and discharge the powers, duties and functions conferred, assigned or imposed on Zones SL, by this Part or delegated to it by the Economic Commission under Part II for the purpose of administering the affairs of the Zones SL.

(3) The Zones SL Board shall consist of not more than seven members comprising of -

- (a) the following *ex officio* members: -
  - (i) the Secretary to the Ministry of the Minister assigned the subject of Finance or his nominee, who shall be an officer not below the rank of a Deputy Secretary to the Ministry of the Minister assigned the subject of Finance;
  - (ii) the Secretary to the Ministry of the Minister or his nominee, who shall be an officer not below the rank of a Deputy Secretary to the Ministry of the Minister;
  - (iii) the Chairman of the Urban Development Authority established under the Urban Development Authority Law, No. 41 of 1978 or his nominee who shall be an officer not below the rank of a Director General of a Department of the Ministry of the Minister assigned the subject of Finance; and
  - (iv) the Chief Executive Officer of the Economic Commission; and

- (b) four persons having knowledge, expertise and experience and national or international recognition in the fields of either management, investment, finance, law, information technology, manufacturing or business, appointed by the Minister on the recommendation of the Economic Commission.

Chairperson of  
the Zones SL  
Board

**66.** (1) The Minister shall, in consultation with the Economic Commission, appoint one of the appointed members to be the Chairperson of the Zones SL Board.

(2) The Chairperson may resign from the office of the Chairperson by letter in that behalf addressed to the Minister and such resignation shall be effective from the date on which it is accepted in writing by the Minister.

(3) The Minister may, for reasons assigned therefor remove the Chairperson from the office of the Chairperson.

(4) Subject to the provisions of subsections (2) and (3), the term of office of the Chairperson shall be the period of his term of office as a member of the Zones SL Board.

(5) Where the Chairperson is temporarily unable to perform the duties of his office due to ill health, other infirmity, absence from Sri Lanka for a period not less than three months or any other cause, the Minister may appoint any other appointed member to act as the Chairperson, in addition to his normal duties.

Disqualifications  
for being a  
member of the  
Zones SL Board

**67.** A person appointed to the Zones SL Board shall be disqualified from being appointed or nominated or from continuing as a member of the Zones SL Board if such person-

- (a) is, or becomes a Member of Parliament, or a member of any Provincial Council or any local authority;



- (b) is not or ceases to be a citizen of Sri Lanka;
- (c) is under any law in force in Sri Lanka or any other country, found or declared to be of unsound mind;
- (d) is a person who, having been declared as insolvent or bankrupt under any law in force in Sri Lanka or any other country is an undischarged insolvent or bankrupt;
- (e) is serving or has served a sentence of imprisonment imposed by a court of Sri Lanka or any other country;
- (f) holds or enjoys any right or benefit under any contract made by or in behalf of the Zones SL;
- (g) has any financial or other interest direct or indirect as is likely to affect prejudicially the exercise, performance and discharge by such person of his powers, duties and functions as a member of the Zones SL Board; or
- (h) has been previously removed from office.

**68.** Every appointed member of the Zones SL Board shall, unless such person vacates office earlier by death, resignation or removal, hold office for a period of three years from the date of appointment, and unless removed from office shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

Term of office

**69.** (1) Any appointed member of the Zones SL Board may, at any time, resign from his office by letter in that behalf addressed to the Minister, and such resignation shall take effect from the date on which the resignation is accepted in writing by the Minister.

Removal,  
resignation &c.  
of appointed  
members

(2) The Minister may remove any appointed member of the Zones SL Board, from office-

- (a) by written notice, if such person becomes incapable of effectively performing the duties of office due to ill health or incapacitation; or
- (b) being satisfied, upon consideration of representations made, that such person is guilty of fraud, grave misconduct or gross negligence, or being incapable of effectively discharging responsibilities vested on such person (including regular non-attendance of meetings) which warrants removal from office with immediate effect.

(3) A member shall be disqualified from continuing as a member of the Zones SL Board if such person absents himself from three consecutive meetings of the Zones SL Board or one third of the meetings for any calendar year without being excused for such absence by the Zones SL Board.

(4) In the event of the vacation of office by death, resignation or removal from office of any appointed member of the Zones SL Board, the Minister shall, having regard to the provisions of sections 65 and 67, appoint another person to fill such vacancy. Such person shall hold office for the un-expired period of the term of office of the member whom he succeeds, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

Conflicts of  
interest

**70.** (1) Any member of the Zones SL Board who has a direct or indirect interest in any person, company, investment or any other matter involving the exercise of discretion of the Zones SL Board or its vote or direction, shall forthwith inform the Chief Executive Officer of the Zones SL in writing of the nature and extent of such interest and such disclosure

shall be duly recorded at meetings of the Zones SL Board where such matters are discussed. Such member shall not participate at any meeting at which such matters are discussed or vote on any decision which directly or indirectly relates to such interest.

(2) If any member of the Zones SL Board fails or neglects to declare a conflict of interest as set out in subsection (1), such member shall be subject to disqualification from being a member of the Zones SL Board.

**71.** (1) The meetings of the Zones SL Board shall be held at least once in three months or as is required for the purpose of exercising, performing and discharging the powers, duties and functions conferred or imposed on, or assigned to the Zones SL Board by this Part.

Meeting  
procedures

(2) The *quorum* for any meeting of the Zones SL Board shall be five members.

(3) A meeting of the Zones SL Board may be held either-

(a) by the number of members who constitute the *quorum* being assembled at the place, date and time appointed for the meeting; or

(b) by means of audio-visual communication by which all members participating and constituting the *quorum* can simultaneously see and hear each participating member for the duration of the meeting.

(4) All questions for decision at any meeting of the Zones SL Board shall be decided by the vote of the majority of members present and voting at such meeting. In the case of an equality of votes, the Chairperson shall, in addition to his vote, have a casting vote.

(5) The Chairperson, if present, shall preside at every meeting of the Zones SL Board. In the absence of the Chairperson from any meeting of the Zones SL Board, any member elected by the members present shall preside at such meeting of the Zones SL Board.

(6) Subject to the preceding provisions of this section, the Zones SL Board may regulate the procedure to be followed for the summoning and holding of meetings of the Zones SL Board and the transaction of business at such meetings.

Acts or proceedings of the Zones SL Board deemed not to be invalid by reason of any vacancy

**72.** The Zones SL Board may act notwithstanding any vacancy among its members, and any act or proceeding of the Zones SL Board shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

Remuneration of the members of the Zones SL Board

**73.** The Chairperson and the members of the Zones SL Board shall be paid such remuneration in such manner and at such rates as may be determined by the Minister, with the concurrence of the Minister assigned the subject of Finance.

Seal of the Zones SL

**74.** (1) The seal of the Zones SL shall be as determined by the Zones SL Board.

(2) The seal of the Zones SL—

(a) may be altered in such manner as may be determined by the Zones SL Board; and

(b) shall be in the custody of such person or persons as the Zones SL Board may determine from time to time.

(3) The seal of the Zones SL shall not be affixed to any instrument or document except with the sanction of the Zones SL Board and in the presence of the Chairperson and one other member of the Zones SL Board who shall sign the instrument or document in token of their presence:

Provided however, where the Chairperson is unable to be present at the time when seal of the Zones SL is affixed to any instrument or document, any other member of the Zones SL Board authorized in writing by the Chairperson on that behalf shall be competent to sign such instrument or document in accordance with the preceding provision of this subsection.

(4) The Zones SL Board shall maintain a register of the instruments and documents to which the seal of the Zones SL has been affixed.

### **CHAPTER XVIII**

#### **CHIEF EXECUTIVE OFFICER AND STAFF OF THE ZONES SL**

**75.** (1) There shall be a Chief Executive Officer of the Zones SL (hereinafter referred to as the “Zones SL Chief Executive Officer”) appointed by the Zones SL Board, in consultation with the Economic Commission, who shall be the Accounting Officer of Zones SL.

Chief Executive  
Officer of Zones  
SL

(2) The qualifications and experience of the person who shall be appointed as the Chief Executive Officer of Zones SL and the terms and conditions of employment of the Chief Executive Officer of Zones SL shall be as prescribed by regulation.

(3) The Zones SL Chief Executive Officer shall, subject to the general or special directions and control of the Zones SL Board –

- (a) be charged with the administration of the affairs of the Zones SL including the administration and control of the staff;
- (b) be responsible for the execution of all decisions of the Zones SL Board; and
- (c) carry out all such functions as may be assigned to him by the Zones SL Board.

(4) The Zones SL Chief Executive Officer shall be entitled to be present and speak at any meeting of the Zones SL Board, but shall not be entitled to vote at such meeting.

(5) The Zones SL Board may delegate such of its powers, duties and functions under this Part, as it may determine, either to the Zones SL Chief Executive Officer or to any officer of the Zones SL and the Zones SL Chief Executive Officer or such employee of the Zones SL shall exercise, perform and discharge such delegated powers, duties and functions, subject to the direction and supervision of the Zones SL.

(6) The Zones SL Chief Executive Officer may, with the approval of the Zones SL Board, delegate in writing to any administrative unit or officer or employee of the Zones SL, such of the powers, duties or functions of the Zones SL Chief Executive Officer as may be considered necessary from time to time, and any such administrative unit, officer or employee to whom any such powers, duties or functions are delegated, shall be responsible for the same, and shall exercise, perform and discharge them subject to the direction and supervision of the Zones SL Board or the Zones SL Chief Executive Officer.

(7) The Zones SL Chief Executive Officer shall be responsible and answerable to the Zones SL Board in the exercise, performance and discharge of his powers, duties and functions under this Part.

(8) The Zones SL Board may, in consultation with the Economic Commission, and subject to the provisions of subsection (9), remove the Zones SL Chief Executive Officer from office-

- (a) if he becomes permanently incapable of performing his duties;
- (b) if he has done any act which, in the opinion of the Zones SL Board, is of a fraudulent or illegal character or is prejudicial to the interests of the Zones SL; or
- (c) if he has failed to comply with any directions issued by the Zones SL Board.

(9) Prior to being removed under subsection (8), the Zones SL Chief Executive Officer shall be issued a notice in writing to show cause as to why he should not be removed from office and be given an opportunity of being heard against any allegations made against him.

(10) The office of the Zones SL Chief Executive Officer shall become vacant upon the death, removal from office under subsection (8) or resignation by letter in that behalf addressed to the Minister by the holder of that office.

(11) If any vacancy occurs in the office of the Zones SL Chief Executive Officer, the Zones SL Board may, in consultation with the Economic Commission, appoint an appointed member of the Zones SL Board to exercise,

perform and discharge the powers, duties and functions of the Zones SL Chief Executive Officer until an appointment is made under subsection (1).

(12) The Zones SL Chief Executive Officer shall be paid such remuneration as may be determined by the Zones SL Board, in consultation with the Economic Commission.

Staff of the  
Zones SL

**76.** (1) The Zones SL may create cadre positions and employ officers and employees as it considers necessary for the efficient discharge of its functions for the purposes of carrying out its duties and functions under the provisions of this Part.

(2) The Zones SL Board may, in respect of the officers and employees employed under subsection (1) –

- (a) determine the terms and conditions of employment of such officers and employees;
- (b) fix the rates at which such officers and employees shall be remunerated in consultation with the Minister assigned the subject of Finance;
- (c) exercise disciplinary control over or dismiss such officers and employees; and
- (d) implement a code of conduct which shall be applicable to such officers and employees.

(3) The Zones SL Board may make rules in respect of all or any of the matters referred to in subsection (2).

(4) The Zones SL shall promote and sponsor the training of technical personnel on the subjects of zone management and operation and other related subjects and



for this purpose, the Zones SL shall be authorized to defray the costs of study, in Sri Lanka or abroad of such officers.

(5) The Zones SL shall not appoint any person to its staff, if such person-

- (a) has been previously found guilty of a crime or an act of serious misconduct by a civil court or tribunal or has been subject to proceedings for a regulatory, code of conduct or related violation by a regulator in Sri Lanka or abroad; or
- (b) has committed a breach of the provisions of this Part or regulations, rules or directives made thereunder.

77. (1) At the request of the Zones SL any officer in the public service may, with the consent of the officer and the Public Service Commission be temporarily appointed to the Zones SL for such period as may be determined by the Zones SL or with like consent, be permanently appointed to such staff.

Appointment of public officers to the staff of the Zones SL

(2) Where any officer in the public service is temporarily appointed to the staff of the Zones SL, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall *mutatis mutandis*, apply to and in relation to such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Zones SL, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall *mutatis mutandis*, apply to and in relation to such officer.

(4) Where the Zones SL employs any person who has

entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service with the Zones SL by that person shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

## CHAPTER XIX

### FINANCE

Financial  
management of  
the Zones SL

**78.** The Zones SL Board shall be charged with the financial management of the Zones SL and the due operation and management of the Fund established in terms of section 79.

Fund of the  
Zones SL

**79.** (1) The Zones SL shall have its own Fund (in this Part referred to as the “Zones SL Fund”).

(2) There shall be paid into the Zones SL Fund-

- (a) all such sums of money as may be voted by Parliament for the use of the Zones SL;
- (b) all such sums of money as may be received by the Zones SL through the exercise, performance and discharge of its powers, duties and functions either directly or through entities created by it under this Part;
- (c) all such sums of money as may be paid as fees under the provisions of this Part; and
- (d) all such sums of money received as development assistance from foreign Governments or agencies and from multilateral and bilateral agencies whether within or outside Sri Lanka:

Provided however, the Zones SL shall obtain prior written approval of the Department of External Resources, in respect of all foreign assistance received under this paragraph.

(3) There shall be paid out of the Zones SL Fund-

- (a) all such sums as are required to defray expenditure incurred by the Zones SL in the exercise, performance and discharge of its powers, duties and functions under this Part or under any other written law; and
- (b) up to ten *per centum* of the fees charged by the Zones SL to issue any licence under this Part, as may be determined by the Economic Commission under paragraph (m) of section 13.

(4) Monies belonging to the Zones SL Fund may be invested by the Zones SL in such manner as may be determined by the Zones SL Board.

**80.** (1) The financial year of the Zones SL shall be the calendar year.

Financial year  
and audit of  
accounts of the  
Zones SL

(2) The Zones SL shall cause proper books of accounts to be kept of the income, expenditure, assets and liabilities and all other financial transactions of the Zones SL.

(3) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of accounts of the Zones SL.

(4) The Zones SL Board shall submit the audited statement of accounts together with the auditor's report to the Minister to be tabled in Parliament.

**CHAPTER XX**

SITE SELECTION & C. OF INVESTMENT ZONES

Site selection  
and  
establishment of  
Investment  
Zones

**81.** (1) The Zones SL Board shall, in consultation with the Economic Commission, conduct studies on the requirements for investment zones to facilitate the accomplishment of the goals in the national policies on investment, international trade, exports and investment zones formulated by the Economic Commission.

(2) The Zones SL Board shall make recommendations to the Economic Commission for the establishment of investment zones based on findings of its studies. Such recommendations shall -

- (a) the business justification for the establishment of any investment zones;
- (b) site selection and location;
- (c) proposed sectors of activity which should be targeted, promoted and established within such investment zones;
- (d) the approvals and authorizations which shall be required for the establishment and operation of investments within such investment zones;
- (e) any incentives or exemptions which may need to be granted to investors to establish within such investment zones;
- (f) any ancillary support services which may be required from the Government or any local authorities or agencies for the purpose of providing

institutional framework and physical infrastructure to enable such investment zones to operate smoothly and efficiently;

- (g) the method of operating and managing such investment zones, whether directly by the Zones SL or as joint ventures with any other party including private parties, or on the basis of management agreements;
- (h) any charges or levies that may levied or imposed on any users within such investment zones; and
- (i) any other matters which may be relevant to the establishment and operation of such investment zones.

(3) Upon the Cabinet of Ministers approving the establishment of an investment zone, the Minister shall procure the vesting of such site to the Zones SL having acquired the proposed site under the Land Acquisition Act (Chapter 450) or by the grant or lease thereof under the Crown Lands Act (Chapter 454) as the case may require.

(4) Any land vested in terms of subsection (3) in the Zones SL shall be deemed to be for a public purpose.

**82.** The Zones SL shall be responsible for establishing the investment zones ensuring *inter alia* the following: -

Establishment of investment zones

- (a) making appropriate arrangements for creating the necessary regulatory, institutional and physical infrastructure for the operation of the investment zone, including but not limited to the preparation of site plans, supply of utilities and other

infrastructural services required for the purpose of facilitating the operations of investments which will be located within the investment zone;

- (b) obtaining pre-clearances and approvals from all relevant authorities which have continued powers over the activities of the investment zone;
- (c) ensuring that rules and procedures for the operation of the activities are duly adopted by the Minister by way of regulations;
- (d) entering into agreements as may be deemed necessary for the establishment, operation and management of the investment zone whether such parties are public or private individuals or entities; and
- (e) formulating schemes for the levy or charge of any services which may be provided to any person within the investment zones.

Operation and management of investment zones

**83.** The Zones SL Board shall, in consultation with the Economic Commission, determine the structure within which each investment zone shall be operated and managed. Without limiting the discretion of the Zones SL Board and the Economic Commission, such investment zones may be managed by the Zones SL Board, or as joint ventures with third parties, (whether local or foreign), or on the basis of management agreements.

Rights and obligations of investment zones developer or operator

**84.** (1) An investment zones developer or operator shall have the right to-

- (a) act or appoint, with the concurrence of the Zones SL, an operator to undertake management and administration of the investment zone on its behalf subject to such regulations and other licensing requirements as may be prescribed;
- (b) lease or sublease land or buildings to licensed investment zone operators and enterprises and charge rent or fees for other services that may be provided;
- (c) acquire investment zone lands or other assets;
- (d) develop, operate and service investment zones lands and other assets in conformity with applicable regulations and laws and its licences;
- (e) provide utilities and other services in the investment zone, in accordance with its licence and to charge fees for such services;
- (f) provide utilities and other services outside the investment zone in conformity with applicable written law;
- (g) enter into contracts with private third parties for the development, operation and servicing of investment zone lands and other assets, including on-site and off-site infrastructure;
- (h) enter and freely participate in international financial markets, without any legal impediments or restrictions to obtain funds, credits, guarantees, and other financial resources; and
- (i) advertise and promote the investment zone for which it holds a licence to potential investors and service providers.

(2) An investment zone developer shall, in such manner as may be prescribed-

- (a) perform such physical development works or make such improvements to the investment zone site and its facilities as may be required according to the plans approved by the Zones SL;
- (b) provide adequate enclosures to segregate the zone area from the customs territory for the protection of revenue together with suitable provisions for the movement of persons, conveyances, vessel and goods entering or leaving the zone;
- (c) provide or cause to be provided adequate security on the site, as may be determined by the Zones SL in its licence;
- (d) adopt and enforce regulations within the investment zone that promote safe and efficient business operations;
- (e) maintain adequate and proper accounts and other records in relation to its activities, employment statistics, business and report on zone activities, performance and development to the Zones SL on a periodic basis or as required by the Zones SL; and
- (f) register all lease with the Zones SL.

(3) The accounts and records required under paragraph (e) of subsection (2) shall be maintained in any of the official languages.

(4) An investment zone developer or an operator who fails to maintain adequate and proper accounts and other



records as required by this section or fails to comply with the rules or regulations made under this Part commits an offence and shall be liable on conviction to a fine not exceeding three million rupees or to an amount equivalent to not less than ten thousand United States Dollars (USD) or to imprisonment for a term not exceeding six months or to both.

**85.** The Zones SL Board may appoint any Technical Committee or experts whom it may deem necessary for its decision-making process.

Technical committees

**86.** (1) (a) The Zones SL shall endeavour to publish all laws, regulations, orders, rules and where legally permissible, judgments and administrative rules relating to the affairs of investment zones on a single website to provide investors with easy access to such information and material.

Transparency

(b) The Zones SL shall consult with and provide investors with adequate opportunity to make representations prior to taking decisions or the adoption of laws, regulations, rules, directions or orders which affect their rights as investors within the investment zones.

(2) Where any administrative proceedings are initiated against any investor or investment in respect of their rights within the investment zones, all the rights, procedures and due processes afforded to any citizen under the law in respect of such proceedings shall be afforded to the investor and to such investments.

**87.** (1) Any disputes between Zones SL and investors within the investment zones, shall be settled promptly and amicably through consultations and negotiations between the parties.

Dispute settlement between the Zones SL and investors

(2) Where an amicable solution cannot be reached, such investors shall have the right to use all other remedies under the laws of Sri Lanka.

Settlement of  
labour disputes

**88.** The Zones SL shall provide for expeditious resolution of labour disputes and disputes between investors and workers employed within investment zones. Mechanisms such as alternate dispute resolution methods or any other means of dispute resolution may be prescribed by way of regulations for such purpose.

Incentives

**89.** Zones SL may recommend to the Economic Commission, the administrative incentives and exemption from laws specified in the Schedule to this Part to be granted to investors within the investment zones, from time to time.

## **CHAPTER XXI**

### **GENERAL PROVISIONS**

Special Powers  
of the Zones SL  
for expediting  
approvals

**90.** (1) Where an investor that applies to the Zones SL for setting up of an investment within an investment promotion zone requires any approvals, authorizations or permits from Ministries, Government departments, agencies, Zones SL, regulatory authorities or bodies named by the Cabinet of Ministers on the recommendation of the Minister and prescribed by regulation made under this Part (hereinafter referred to as the “Specified Institutions”) the Zones SL shall be empowered to facilitate the procurement of such approvals, authorizations or permits.

(2) Where the Zones SL makes an inquiry or request to any Specified Institution for an approval, authorization, or permit in terms of subsection (1), such Specified Institution shall be obliged to respond to such inquiry or request either consenting to or objecting to such inquiry or request within fifteen days of such inquiry or request being made. If the Specified Institution refuses to respond to such inquiry or denies such request, written reasons for such refusal or denial shall be provided in writing within such period of twenty one days.

(3) All Specified Institutions shall be required to collaborate with the Zones SL to enable it to perform its functions and meet its objects.

(4) The Minister may by regulations made under this Part prescribe procedures for such collaboration, which shall be complied with by Specified Institutions in line with standing operating procedures on granting approvals for investment projects formulated by the Zones SL through a consultative process.

(5) If a Specified Institution refuses, denies or fails to respond to an inquiry or request as per the regulations made under subsection (1) or (4), the Zones SL shall if deemed appropriate, refer such refusal, denial or failure to the Minister forthwith, who shall, within two weeks refer the matter to the Cabinet of Ministers for appropriate action.

**91.** All members of the Zones SL Board, Zones SL Chief Executive Officer and the officers and other employees of the Zones SL shall be deemed to be public servants within the meaning, and for the purposes of the Penal Code (Chapter 19).

Members,  
officers and  
other employees  
of the Zones SL  
deemed to be  
public servants

**92.** The Zones SL shall be deemed to be a scheduled institution within the meaning of the Anti-Corruption Act, No. 9 of 2023, and the provisions of that Act shall be construed accordingly.

Zones SL  
deemed to be a  
scheduled  
institution

**93.** No civil or criminal proceedings shall be instituted against any members of the Zones SL Board, Zones SL Chief Executive Officer, officer or employee of the Zones SL for any act which in good faith is done or purported to be done by him under this Part or on the directions of the Zones SL Board, as the case may be, if he proves that he acted in good faith and exercised all due diligence, reasonable care and skill.

Protection for  
action taken  
under this Act

## Regulations

**94.** (1) The Minister may, in consultation with the Zones SL, make regulations in respect of all matters which are required by this Part to be prescribed or in respect of which regulations are authorized to be made.

(2) In particular and without prejudice to the generality of the provisions contained in subsection (1), the Minister may make regulations in regard to –

- (a) determine the scope and extent of any exemption or modification of any of the written laws set out in the Schedule to this Part which may be required for the attainment of the objects of this Part;
- (b) provide for any matter which is deemed necessary for discharge of the provisions of this Part including but not limited to specifying-
  - (i) procedure for allocation of sites and registration within the investment zones;
  - (ii) procedures for operation within the investment zones;
  - (iii) procedures for the matters which will include customs procedures, exemption and pre-clearances and the treatment of which shall be processed therein;
  - (iv) criteria and procedures for registration, approvals and licensing under this Part or for those required under any other applicable laws;
  - (v) matters relating to staff and all other matters connected thereto:

Provided however, regulations shall not be made under this section providing terms less favourable than the terms and conditions of employment to which the officers and employees of the BOI holding office on the day immediately preceding the appointed date were entitled;

- (vi) fees and charges to be levied for any services provided under this Part; and
- (vii) require all investments falling under this Part to register with the Zones SL within a period specified in the said regulation.

(3) Every regulation made under this section, shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in such regulation.

(4) Every regulation made under this section shall, within three months from the date of its publication in the *Gazette*, be placed before Parliament for approval. Every regulation which is not so approved shall be deemed to be rescinded as from the date of disapproval but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

**95.** (1) Subject to the provisions of this Part, the Zones SL may make rules in respect of all matters which rules are authorized to be made under this Part. Rules

(2) Every rule made by Zone SL shall be published in the *Gazette* and shall come into operation upon such publication.

Removal of  
difficulties

**96.** (1) If any difficulty arises in giving effect to the provisions of this Part, the Minister may, by Order published in the *Gazette*, make provisions which are not inconsistent with the provisions of this Part or any other written law, as appears to the Minister to be necessary or expedient for removing the difficulty:

Provided that, no such Order shall be made after the expiry of a period of five years from the date of commencement of this Part.

(2) Every Order made under this section shall, within three months after it is made, be laid before Parliament for approval and such Order shall become operative only upon receipt of the approval therefor of Parliament.

This part to  
prevail

**97.** In case of any inconsistency between the provisions of this Part and provisions of any other law relating to investment zones (save and except the Colombo Port City Economic Commission Act, No. 11 of 2021) the provisions of this Part shall prevail.

Interpretation

**98.** In this Part, unless the context otherwise requires-

“Board of Investment” means, the Board of Investment established under the Board of Investment of Sri Lanka Law, No. 4 of 1978;

“investment zones” mean, export processing zones, industrial parks, special economic zones, logistics zones or any sector based special economic zones and other similar areas for the establishment of investments, whether declared under this Part or any other law referred to in this Part and shall include areas of authority and licensed zones as referred to in the Board of Investment of Sri Lanka Law, No. 4 of 1978; and

“social infrastructure” means, essential facilities for the wellbeing and productivity enhancement of the employees of the enterprises and shall include day care centers, medical centers, accommodation, recreation facilities.

SCHEDULE

(sections 89 and 94)

1. Customs Ordinance (Chapter 235)
2. Companies Act, No. 07 of 2007
3. Inland Revenue Act, No. 24 of 2017
4. Finance Act, No. 18 of 2021
5. Foreign Exchange Act, No. 12 of 2017
6. National Film Corporation of Sri Lanka Act, No. 47 of 1971
7. Merchant Shipping Act, No. 52 of 1971
8. Civil Aviation Act, No. 14 of 2010
9. Ceylon Electricity Board Act, No. 17 of 1969
10. National Water Supply and Drainage Board Law, No. 2 of 1974
11. Sri Lanka Ports Authority Act, No. 51 of 1979
12. Ceylon Petroleum Corporation Act, No. 28 of 1961

PART IV

**CHAPTER XXII**

ESTABLISHMENT OF THE OFFICE FOR INTERNATIONAL TRADE

Establishment of  
the Office for  
International  
Trade

**99.** (1) There shall be established an office which shall be called the Office for International Trade (in this Act referred to as the “OIT”).

(2) The OIT shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in that name.

Objects of the  
OIT

**100.** The objects of the OIT shall, in accordance with the Government policies, be –

- (a) to promote and develop international trade of Sri Lanka;
- (b) to coordinate international trade activities of Sri Lanka;
- (c) to facilitate the growth of exports of Sri Lankan products and services;
- (d) to promote Sri Lanka as a major trade, business and logistical hub of the Indian Ocean region; and
- (e) to serve as the lead agency for the implementation and coordination of international trade activities of Sri Lanka.

Powers, duties  
and functions of  
the OIT

**101.** (1) The powers, duties and functions of the OIT shall be-



- (a) to make recommendations to the Minister on international trade activities including measures to-
  - (i) remove or reduce market access barriers and, facilitate the entry of Sri Lankan goods and services into international markets;
  - (ii) ensure equitable treatment in international markets for Sri Lankan goods and services in general and industrial, agricultural and fisheries products in particular; and
  - (iii) increase the exports of Sri Lankan goods and services;
- (b) to recommend to the Minister, where necessary, changes to the import and export policies of the Government of Sri Lanka with a view to facilitating international trade of Sri Lanka;
- (c) to conduct-
  - (i) feasibility studies prior to initiating; and
  - (ii) stakeholder consultations throughout the process of,  
  
bi-lateral, multi-lateral, regional and international trade negotiations;
- (d) to assist Ambassador for International Trade appointed under subsection (1) of section 114, to carry out bilateral, multilateral, regional and international trade negotiations approved by the Cabinet of Ministers;

- (e) to appoint an International Trade Officer to such countries, subject to such terms and conditions, in consultation with the following persons: -
- (i) the Secretary to the Ministry of the Minister assigned the subject of Finance;
  - (ii) the Secretary to the Ministry of the Minister assigned the subject of Foreign Affairs;
  - (iii) the Secretary to the Ministry of the Minister assigned the subject of Investment; and
  - (iv) the Secretary to the Ministry of the Minister assigned the subject of Trade:

Provided however, the Minister shall in consultation with the OIT Board and persons referred to in subparagraph (i) to (iv), prescribed by regulations, the powers, duties and functions of such international trade officer;

- (f) to promote Sri Lanka's bi-lateral trade with other countries, expanding the number of countries for conducting bi-lateral trade;
- (g) to appoint, employ, remunerate and exercise disciplinary control over and dismiss such officers and other employees as are necessary for the exercise, performance and discharge of the powers, duties and functions of the OIT under this Act;
- (h) to purchase and hold any movable or immovable property, and give on lease or hire, mortgage, pledge, sell or otherwise dispose of any of the movable or immovable property purchased or held by the OIT, for the purposes of the OIT;

- (i) to enter into and perform all such contracts as it may consider necessary for the exercise, performance and discharge of its powers, duties and functions;
- (j) to accept development assistance from multilateral agencies, whether in cash or otherwise, from persons or bodies of persons within or outside Sri Lanka and apply them in the exercise, performance and discharge of its powers, duties and functions under this Act:

Provided however, the OIT shall obtain prior written approval of the Department of External Resources, in respect of all foreign assistance received under this paragraph;

- (k) to engage in research and publications in relation to international trade;
- (l) to collect and maintain statistics on Sri Lanka's international trade; and
- (m) to generally do such other acts or things necessary for the achievement of the objects of the OIT.

(2) The OIT shall exercise, perform and discharge all powers, duties and functions specified in any law in respect of international trade.

### CHAPTER XXIII

#### ADMINISTRATION AND MANAGEMENT OF THE OIT

**102.** (1) The administration and management of the affairs of the OIT shall be vested in a Board of Management (in this Act referred to as the "OIT Board").

Constitution of the Board of Management of the OIT

(2) The OIT Board shall, for the purpose of administering and managing the affairs of the OIT, exercise, perform and discharge the powers, duties and functions conferred or imposed on, or assigned to, the OIT by this Part.

(3) The OIT Board shall consist of-

- (a) the Ambassador for international trade appointed under section 114 who shall be the Chairperson of the OIT Board and Chief Executive Officer of the OIT;
- (b) the Secretary to the Treasury or his representative; and
- (c) five other persons who possess knowledge and experience in the field of international trade, appointed by the President with the concurrence of the Constitutional Council (in this Act referred to as the “appointed members”).

Disqualifications  
for being a  
member of the  
OIT Board

**103.** A person shall be disqualified from being appointed or continuing as a member of the OIT Board, if such person –

- (a) is, or becomes a member of Parliament, member of any Provincial Council or any local authority;
- (b) is not, or ceases to be, a citizen of Sri Lanka;
- (c) is, or becomes a citizen of Sri Lanka who is also a citizen of any other country;
- (d) is a person who, having been declared as insolvent or bankrupt under any law in force in Sri Lanka or in any other country, is an undischarged insolvent or bankrupt;

- (e) is under any law in force in Sri Lanka or in any other country, found or declared to be of unsound mind;
- (f) is serving or has served a sentence of imprisonment imposed by a court of Sri Lanka or any other country;
- (g) holds or enjoys any right or benefit under any contract made by, or on behalf of, the OIT; or
- (h) has any financial or other interest direct or indirect as is likely to affect prejudicially the exercise, performance and discharge by such person of his powers, duties and functions as a member of the OIT Board.

**104.** Every appointed member of the OIT Board shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of four years from the date of his appointment, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

Term of office  
of the appointed  
members of the  
OIT Board

**105.** (1) Any appointed member of the OIT Board may, at any time, resign his office by letter in that behalf addressed to the President, and such resignation shall take effect from the date on which the resignation is accepted in writing by the President.

Removal,  
resignation &c.,  
of appointed  
members

(2) The President may, for reasons assigned therefor, remove any appointed member from office. An appointed member who has been removed from office shall not be eligible for re-appointment as a member of the OIT Board or to serve the OIT in any other capacity.

(3) In the event of the vacation of office by death, resignation or removal from office of any appointed member, the President shall, having regard to the provisions of sections 102 and 103, appoint another person to fill such vacancy. Such person shall hold office for the un-expired period of the term of office of the member whom he succeeds, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(4) Where any appointed member of the OIT Board is temporarily unable to perform the duties of his office on account of ill health or any other cause, or if he is absent from Sri Lanka for a period not less than three months, the President shall, having regard to the provisions of sections 102 and 103, appoint any other person to act in place of such member during his absence.

(5) Where any appointed member of the OIT Board fails to attend three consecutive meetings of the OIT Board without notifying his absence in advance to the Chairperson, such member shall be deemed to have vacated his office from the date of such third meeting and the President shall, having regard to the provisions of sections 102 and 103, appoint another person to fill such vacancy.

Financial or  
other interests of  
the members of  
the OIT Board

**106.** (1) The President shall, prior to appointing a person as a member of the OIT Board, require such person to declare that neither he nor any of his family members has any financial or other interest in the affairs of the OIT which is likely to affect prejudicially the exercise, performance and discharge of his powers, duties and functions as a member of the OIT Board and satisfy himself of the matters so disclosed.

(2) The President shall also satisfy himself, from time to time, that no member of the OIT Board has, since being appointed to the OIT, acquired any such financial or other interest specified in subsection (1).

(3) A member of the OIT Board who is directly or indirectly interested in any contract, agreement or business or any other matter made or proposed to be made by the OIT shall forthwith disclose the nature and extent of his interest to the OIT Board and to the President and every such disclosure shall be recorded in the minutes of the OIT Board and such member shall not thereafter participate in any matter concerning with the OIT, until such time as the President takes a decision thereon.

(4) The OIT Board shall maintain a register or record of conflict of interests on a case-by case basis.

**107.** An appointed member of the OIT Board shall not accept or hold any other office or employment connected with international trade, whether remunerated or not, -

Restriction on employment

- (a) in any public or private institution during his term of office; and
- (b) in any private institution connected with international trade until the expiration of a period of three years from the date of expiry of his term of office or from the date of vacating office by resignation or removal, as the case may be.

**108.** (1) The meetings of the OIT Board shall be held at least once in every month or as is required for the purpose of exercising, performing and discharging the powers, duties and functions conferred or imposed on, or assigned to the OIT Board by this Part.

*Quorum* and the meetings of the OIT Board

(2) The *quorum* for any meeting of the OIT Board shall be five members.

(3) A meeting of the OIT Board may be held either-

- (a) by the number of members who constitute the *quorum* being assembled at the place, date and time appointed for the meeting; or
- (b) by means of audio-visual communication by which all members participating and constituting the *quorum* can simultaneously see and hear each participating member for the duration of the meeting.

(4) All questions for decision at any meeting of the OIT Board shall be decided by the vote of the majority of members present and voting at such meeting. In the case of an equality of votes, the Chairperson shall, in addition to his vote, have a casting vote.

(5) The Chairperson, if present, shall preside at every meeting of the OIT Board. In the absence of the Chairperson from any meeting of the OIT Board, any member elected by the members present shall preside at such meeting of the OIT Board.

(6) Subject to the preceding provisions of this section, the OIT Board may regulate the procedure to be followed for the summoning and holding of meetings of the OIT Board and the transaction of business at such meetings.

Acts or proceedings of the OIT Board deemed not to be invalid by reason of any vacancy

**109.** The OIT Board may act notwithstanding any vacancy among its members, and any act or proceeding of the OIT Board shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.



**110.** The members of the OIT Board shall be paid such remuneration in such manner and at such rates as may be determined by the President, in consultation with the Minister assigned the subject of Finance.

Remuneration of the members of the OIT Board

**111.** (1) The OIT Board may, whenever it considers necessary, invite experts to any meeting of the OIT Board, who have expertise on any subject which is dealt with by the OIT Board at such meeting, for the purpose of obtaining their views on such subject matter for the effective discharge of the functions of the OIT:

OIT Board to invite experts to meetings

Provided however, the OIT Board shall have the absolute discretion of accepting or rejecting the views of such experts.

(2) The experts shall have no voting rights.

(3) The experts may be paid such honorarium as may be determined by the OIT Board for attending the meetings of the OIT Board.

(4) Every expert invited by the OIT Board shall, prior to being engaged by the OIT Board, make a declaration required by section 124 and keep confidential all matters discussed by the OIT Board and any other information acquired by such expert in terms of his engagement with the OIT. Every such expert shall also make a declaration that he has no financial or other interest in the affairs of the OIT as specified in subsection (1) of section 106.

**112.** (1) The seal of the OIT shall be as determined by the OIT Board.

Staff of the OIT

(2) The seal of the OIT –

- (a) may be altered in such manner as may be determined by the OIT Board; and
- (b) shall be in the custody of such person or persons as the OIT Board may determine, from time to time.

(3) The seal of the OIT shall not be affixed to any instrument or document except with the sanction of the OIT Board and except in the presence of the Chairperson and one other member of the OIT Board, who shall sign the instrument or document in token of their presence:

Provided however, where the Chairperson is unable to be present at the time when the seal of the OIT is affixed to any instrument or document, any other member of the OIT Board authorised in writing by the Chairperson in that behalf, shall be competent to sign such instrument or document in accordance with the preceding provisions of this subsection.

(4) The OIT Board shall maintain a register of instruments and documents to which the seal of the OIT has been affixed.

Delegation of powers, duties and functions of the OIT Board

**113.** (1) The OIT Board may, by rules made in that behalf under this Part, delegate any of its powers, duties and functions to any officer of the OIT who shall be an officer not below the rank of a Director.

(2) An officer to whom any power, duty or function is delegated under subsection (1), shall exercise, perform or discharge such power, duty or function, subject to such directions as may be given by the OIT Board.

**CHAPTER XXIV**

AMBASSADOR FOR INTERNATIONAL TRADE

**114.** (1) The President shall, with the concurrence of the Constitutional Council, appoint a person who possesses knowledge and experience in the field of international trade, to be the Ambassador for International Trade-

Ambassador for  
International  
Trade

- (a) who shall be the chief negotiator for international trade negotiations; and
- (b) for the purpose of conducting Sri Lanka's international trade relations.

(2) It shall be the duty of the Ambassador for International Trade to coordinate international trade matters and negotiations concerning the World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD), any country or country groupings in relation to international trade matters and negotiations, the Commonwealth and other international trade negotiations.

(3) The Ambassador for International Trade may, at any time, resign his office by letter in that behalf addressed to the President, and such resignation shall take effect from the date on which it is accepted in writing by the President.

(4) The President may, with the concurrence of the Constitutional Council, remove the Ambassador for International Trade from office-

- (a) if he becomes permanently incapable of performing his duties;

- (b) if he has done any act which, in the opinion of the OIT Board, is of a fraudulent or illegal character or is prejudicial to the interests of the OIT; or
- (c) if he has failed to comply with any directions given by the OIT Board.

(5) The Ambassador for International Trade shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of four years from the date of his appointment, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(6) In the event of the vacation of office by death, resignation or removal from office of the Ambassador for International Trade, the President shall, in terms of the provisions of subsection (1), appoint another person to fill such vacancy. Such person shall hold office for the unexpired period of the term of office of the person whom he succeeds, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(7) Where the Ambassador for International Trade is temporarily unable to perform the duties of his office on account of ill health or any other cause, or if he is absent from Sri Lanka for a period not less than three months, the President shall, in terms of the provisions of subsection (1), appoint a member of the OIT Board to temporarily act as the Ambassador for International Trade during his absence.

(8) The Ambassador for International Trade shall be paid such remuneration in such manner and at such rates as may be determined by the President, in consultation with the Minister assigned the subject of Finance.

**115.** The Ambassador for International Trade shall not accept or hold any other office or employment, whether remunerated or not-

Restriction on  
employment

- (a) in any public or private institution during his term of office as the Ambassador for International Trade; and
- (b) in any private institution connected with international trade until the expiration of a period of three years from the date of expiry of his term of office or from the date of vacating office by resignation or removal, as the case may be.

**116.** (1) The OIT Board may delegate any of its powers, duties and functions to the Ambassador for International Trade.

Delegation of  
powers, duties  
and functions of  
the OIT Board  
to the  
Ambassador for  
International  
Trade

(2) The Ambassador for International Trade shall exercise, perform and discharge the powers, duties and functions assigned to him by the OIT Board under subsection (1), subject to the general or special directions of the OIT Board.

(3) The OIT Board may, at any time, revoke the powers, duties and functions delegated to the Ambassador for International Trade.

## **CHAPTER XXV**

### **DIRECTOR GENERAL AND OTHER STAFF OF THE OIT**

**117.** (1) There shall be a Director General of the OIT (in this Act referred to as the “OIT Director General”) appointed by the Minister in consultation with the OIT Board.

Director General  
of the OIT

(2) The qualifications and experience of the person who shall be appointed as the OIT Director General and the terms and conditions of employment of the OIT Director General shall be as prescribed by regulations.

(3) The OIT Director General shall, subject to the general or special directions and control of the OIT Board –

- (a) be charged with the administration of the affairs of the OIT including the administration and control of the staff;
- (b) be responsible for the execution of all decisions of the OIT Board;
- (d) assist the Ambassador for International Trade in carrying out his powers, duties and functions under this Part; and
- (e) carry out all such functions as may be assigned to him by the OIT Board.

(4) The OIT Director General shall be entitled to be present and speak at any meeting of the OIT Board, but shall not be entitled to vote at such meeting.

(5) The OIT Director General may, with the written approval of the OIT Board, whenever he considers it necessary to do so, delegate in writing to any officer or employee of the OIT any power, duty or function conferred or imposed on, or assigned to him by this Part, and such officer or employee shall exercise, perform or discharge such power, duty or function, subject to the general or special directions of the OIT Director General.

(6) The OIT Director General shall be responsible and answerable to the OIT Board in the exercise, performance and discharge of his powers, duties and functions under this Part.

(7) The Minister may, in consultation with the OIT Board, and subject to the provisions of subsection (8), remove the OIT Director General from office-

- (a) if he becomes permanently incapable of performing his duties;
- (b) if he has done any act which, in the opinion of the OIT Board, is of a fraudulent or illegal character or is prejudicial to the interests of the OIT; or
- (c) if he has failed to comply with any directions issued by the OIT Board.

(8) Prior to being removed under subsection (7), the OIT Director General shall be issued a notice in writing to show cause as to why he should not be removed from office and be given an opportunity of being heard against any allegations made against him.

(9) The office of the OIT Director General shall become vacant upon the death, removal from office under subsection (7) or resignation by letter in that behalf addressed to the Minister by the holder of that office.

(10) If any vacancy occurs in the office of the OIT Director General, the Minister may, in consultation with the OIT Board, appoint an appointed member of the OIT Board to exercise, perform and discharge the powers, duties and functions of the OIT Director General until an appointment is made under subsection (1).

(11) The OIT Director General shall be paid such remuneration as may be determined by the Minister with the concurrence of the Minister assigned the subject of Finance.

staff of the OIT

**118.** (1) The OIT may appoint as staff of the OIT such number of officers and other employees as may be necessary for the efficient exercise, performance and discharge of its powers, duties and functions under this Part.

(2) The OIT Board may, in respect of the officers and other employees appointed to the OIT under subsection (1) –

- (a) determine the terms and conditions of employment of such officers and employees;
- (b) fix the rates at which such officers and employees shall be remunerated in keeping with related guidelines of the Government and in consultation with the Minister assigned the subject of Finance; and
- (c) exercise disciplinary control over or dismiss such officers and employees.

(3) The OIT Board may make rules in respect of all or any of the matters referred to in subsection (2).

(4) The OIT shall not appoint as an officer or other employee of the OIT, any person who has been dismissed from any previous position held by such person in the public or private sector.

Appointment of  
public officers  
to the staff of  
the OIT

**119.** (1) At the request of the OIT, any officer in the public service may, with the consent of that officer and the Public Service Commission, be temporarily appointed to the staff of the OIT for such period as may be determined by the OIT or with like consent, be permanently appointed to such staff.



(2) Where any officer in the public service is temporarily appointed to the staff of the OIT, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to and in relation to such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the OIT, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to and in relation to such officer.

(4) Where the OIT employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service with the OIT by that person shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

## CHAPTER XXVI

### FINANCE

**120.** (1) The OIT shall have its own Fund. Fund of the OIT

(2) There shall be paid into the Fund of the OIT all such sums of money as may be voted upon from time to time by Parliament for the use of the OIT.

(3) There shall be paid out of the Fund of the OIT all such sums of money as are required to defray any expenditure incurred by the OIT in the exercise, performance and discharge of its powers, duties and functions under this Part.

**121.** (1) The financial year of the OIT shall be the calendar year. Financial year and audit of accounts of the OIT

(2) The OIT shall cause proper books of accounts to be kept of the income, expenditure, assets and liabilities and all other financial transactions of the OIT.

(3) The provisions of Article 154 of the Constitution relating to the audit of accounts of public corporations shall apply to, and in respect of, the audit of the accounts of the OIT.

## CHAPTER XXVII

### GENERAL PROVISIONS

Establishment of  
committees or  
panels

**122.** (1) The OIT Board may establish committees or panels to assist it in the exercise, performance and discharge of its powers, duties and functions assigned to it under this Part.

(2) Every such committee or panel shall consist of such number of members as may be determined by the OIT Board, not below the rank of an Additional Secretary of the relevant Ministry and the heads of the relevant Government institutions functioning under such Ministry or such senior officers as may be authorised by the heads of such Government institutions, nominated by the Secretary to such Ministry.

(3) The provisions of sections 103 and 106 shall, *mutatis mutandis* apply to the members of the committees or panels established under subsection (1), in relation to the disqualifications for appointment and financial or other interests.

(4) The members of the committees or panels may be paid such honorarium in such manner and at such rates as may be determined by the President in consultation with the Minister assigned the subject of Finance.

**123.** (1) The OIT shall, within six months of the end of each financial year, submit to the President an annual report of the activities carried out by the OIT and the progress in respect of international trade including the individual countries with which bi-lateral trade is conducted during that financial year. The following documents shall be attached to such report: -

Annual  
report

- (a) the audited accounts of the OIT for the year along with the Auditor-General's report; and
- (b) a report of proposed activities for the year immediately following the year to which such report and accounts relate.

(2) The President shall, within three months from the date of receipt of the annual report, table such report along with the documents specified in subsection (1) in Parliament, for its consideration.

**124.** Every member of the OIT Board, OIT Director General and all officers and other employees of the OIT shall, before entering upon their duties, make a declaration pledging themselves to observe strict secrecy in respect of all matters connected with the affairs of the OIT, which has come to their knowledge in the exercise, performance and discharge of their powers, duties and functions under this Part, and shall by such declaration pledge themselves not to disclose any such matter, except –

Declaration of  
secrecy

- (a) when required to do so by a court of law; or
- (b) in order to comply with any of the provisions of the Right to Information Act, No. 12 of 2016.

Directions to be  
issued by the  
Minister

**125.** (1) The Minister may, from time to time, issue to the OIT in writing such general or special directions as to the exercise, performance and discharge of the powers, duties and functions of the OIT so as to ensure giving proper effect to the Government policy relating to the objects of the OIT, and it shall be the duty of the OIT to comply with such directions.

(2) The Minister may, from time to time, in writing, direct the OIT to furnish to him in such form as he may require, returns, accounts and any other information with respect to the property and activities of the OIT, and it shall be the duty of the OIT to comply with such directions.

Members,  
officers and  
other employees  
of the OIT  
deemed to be  
public servants

**126.** All members of the OIT Board, OIT Director General and the officers and other employees of the OIT shall be deemed to be public servants within the meaning, and for the purposes of the Penal Code (Chapter 19).

OIT deemed to  
be a scheduled  
institution

**127.** The OIT shall be deemed to be a scheduled institution within the meaning, and for the purposes of the Anti-Corruption Act, No. 9 of 2023 and the provisions of that Act shall be construed accordingly.

Expenses in suit  
or prosecution  
to be paid out of  
the Fund of the  
OIT

**128.** (1) Any expense incurred by the OIT in any suit or prosecution brought by or against the OIT before any court, shall be paid out of the Fund of the OIT and any costs paid to, or recovered by the OIT in any such suit or prosecution shall be credited to the Fund of the OIT.

(2) Any expense incurred by any member of the OIT Board, the OIT Director General or any officer or other employee of the OIT in any suit or prosecution brought against such person before any court or tribunal in respect of any act which is done or is purported to be done by such

person under the provisions of this Part or on the direction of the OIT shall, if the court holds that such act was done in good faith, be paid out of the Fund of the OIT, unless such expense is recovered by such person in such suit or prosecution.

**129.** (1) The Minister may, in consultation with the OIT, make regulations in respect of all matters which are required by this Part to be prescribed or in respect of which regulations are authorized to be made.

Regulations

(2) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication, or on such later date as may be specified in the regulations.

(3) Every regulation made by the Minister shall, within three months after its publication in the *Gazette*, be brought before Parliament for approval.

(4) Any such regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval, but without prejudice to anything duly done thereunder.

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

**130.** (1) Subject to the provisions of this Part, the OIT Board may make rules in respect of any matter for which rules are authorised to be made under this Part or all or any of the following matters: –

Rules

- (a) for the regulation of the procedure to be followed for the summoning and holding of meetings of the OIT Board and the transaction of business at such meetings; and

(b) any other matter connected with the management of the affairs of the OIT.

(2) Every rule made by the OIT Board shall be published in the *Gazette* and shall come into operation upon such publication.

Interpretation

**131.** In this Part, unless the context otherwise requires-

“Minister” means the Minister assigned the subject of, and functions relating to, the Office for International Trade under Article 44 or 45 of the Constitution.

## PART V

### CHAPTER XXVIII

#### ESTABLISHMENT OF THE NATIONAL PRODUCTIVITY COMMISSION

Establishment  
of the  
National  
Productivity  
Commission

**132.** (1) There shall be established a Commission called and known as the National Productivity Commission (hereinafter referred to as the “Productivity Commission”).

(2) The Productivity Commission shall, by the name assigned to it by subsection (1), be a body corporate and shall have a perpetual succession and a common seal and may sue and be sued in that name.

(3) The Productivity Commission shall be an independent body and accountable to Parliament.

(4) The independence of the Productivity Commission shall be respected at all times.

(5) A person shall not cause undue influence, or interfere with the Productivity Commission in the exercise, performance and discharge of its powers, duties and functions under this Part.

**133.** The object of the Productivity Commission shall be to promote economic growth through increased productivity for the improvement of wellbeing of people in a sustainable manner.

Object of  
the Productivity  
Commission

**134.** The Productivity Commission shall have the following powers to perform and discharge its duties and functions, as are necessary for the achievement of the object of the Productivity Commission: -

Powers of the  
Productivity  
Commission

- (a) subject to the provisions of section 154, request information, data, statistics, or documents from any public institution or person;
- (b) publish and disseminate the findings of an inquiry or research conducted by the Productivity Commission and its recommendations made to the relevant authorities to the extent permitted under the Right to Information Act, No. 12 of 2016;
- (c) open, maintain and operate current, savings or other deposit accounts in any bank and, if necessary, to close such accounts;
- (d) enter into and perform all such contracts or agreements as may be necessary for the exercise of the powers and the carrying out of the object of the Productivity Commission;

- (e) hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property of the Productivity Commission; and
- (f) generally, to do all such acts and things authorized by this Part and rules made thereunder for the achievement of the object of the Productivity Commission.

Duties and  
functions of the  
Productivity  
Commission

**135.** (1) The duties and functions of the Productivity Commission shall be to -

- (a) make recommendations to the relevant authorities based on evidence and comprehensive analysis in order to increase productivity and economic performance including but not limited to the following: -
  - (i) streamlining regulation of productivity;
  - (ii) promoting healthy competition and contestable markets;
  - (iii) catalysing structural transformation; and
  - (iv) encouraging international competitiveness;
- (b) make recommendations to the Government on introducing a national competition policy and advise on subsequent revisions as needed from time to time;
- (c) conduct public inquiries and evidence-based research on issues related to productivity, either in-house or contracted out, and disclose the methodologies used for such inquiry or research;



- (d) carry out, performance, monitoring, evaluation and benchmarking on the productivity;
- (e) report annually to Parliament on the productivity trends within the first four months of the following year; and
- (f) advocate on the need for productivity improvement.

(2) In the performance and discharge of its duties and functions referred to in subsection (1), the Productivity Commission shall-

- (a) act as referred to by the Cabinet of Ministers or Parliament or on its own initiative;
- (b) consider both the private sector and the public sector including both tradable and non-tradable goods and services;
- (c) recognize the interests of the people and those affected by the recommendations of the Productivity Commission; and
- (d) ensure sustainable economic development.

**136.** (1) The Productivity Commission shall make its recommendations on any matter referred to it and which falls within the objects of this Part, within a period of six months from the date of receipt of such matter.

Procedure to make  
recommendations

(2) In case of a matter referred to the Productivity Commission by the Cabinet of Ministers, the Productivity Commission shall refer its recommendations to the Cabinet of Ministers.

(3) (a) In case of a matter referred to the Productivity Commission by Parliament or attended to by its own initiative, the Productivity Commission shall refer its recommendations to the Speaker.

(b) The Speaker shall cause to submit the recommendations referred to in paragraph (a) to a Committee of Parliament established under the Standing Orders of Parliament to review and make comments on, or to make amendments to such recommendations.

(c) The Committee of Parliament may forward such comments or amendments to the Speaker within thirty days from the date of receipt of such recommendations. The Speaker shall forward such comments or amendments to the Productivity Commission.

(d) The Productivity Commission shall, after taking into consideration the comments and amendments of the Committee of Parliament, make recommendations to the Speaker.

(4) The Productivity Commission may, on its own initiative seek an opportunity to apprise Parliament on critical issues pertaining to the exercise, performance and discharge of its powers, duties and functions or to submit any document or report relating thereto.

## **CHAPTER XXIX**

### **COMPOSITION OF, AND THE ADMINISTRATION AND MANAGEMENT OF THE AFFAIRS OF THE PRODUCTIVITY COMMISSION**

Composition of  
the Productivity  
Commission

**137.** (1) The Productivity Commission shall consist of-

- (a) the Director General (Public Finance) of the Treasury (hereinafter referred to as the “*ex-officio* member”); and
- (b) five members who shall be appointed by the President (hereinafter referred to as the “appointed members”).

(2) In making the appointments referred to in paragraph (b) of subsection (1), consideration shall be afforded to ensure that such members possess relevant knowledge, expertise and experience and national or international recognition, in the fields of Economics, Social Science, Investment, Finance, Trade or Commerce, Law, Information Technology, Engineering, Business or Accountancy.

(3) At least two appointed members of the Productivity Commission shall be full time members.

**138.** A person shall be disqualified from being appointed or continuing as a member of the Productivity Commission, if such person –

Disqualification  
for being a  
member of the  
Productivity  
Commission

- (a) is not or ceases to be a citizen of Sri Lanka;
- (b) is elected or appointed as a member of Parliament or a Provincial Council or any local authority;
- (c) is a member of a political party;
- (d) subject to the provisions of section 142, has any financial or other similar interest direct or indirect, as is likely to affect prejudicially the performance or discharge by him of his duties or functions as a member of the Productivity Commission;
- (e) is under any law in force in Sri Lanka or in any other country found or declared to be of unsound mind;

- (f) is a person who having been declared insolvent or bankrupt under any law in force in Sri Lanka and is an undischarged insolvent or bankrupt;
- (g) is serving or has served a sentence of imprisonment imposed by any court in Sri Lanka or any other country; or
- (h) directly or indirectly holds or enjoys any right, entitlement or benefit under any contract made by, or on behalf of the Productivity Commission.

Chairperson of  
the Productivity  
Commission

**139.** (1) The President shall appoint one of the appointed members to be the Chairperson of the Productivity Commission who shall not be a full-time member.

(2) The Chairperson may resign from the office of Chairperson by letter in that behalf addressed to the President and such resignation shall be effective from the date on which it is accepted in writing by the President.

(3) The President may for reasons assigned therefor remove the Chairperson from the office of Chairperson.

(4) Subject to the provisions of subsections (2) and (3) the term of office of the Chairperson shall be the period of his term of office of the Productivity Commission.

(5) Where the Chairperson is temporarily unable to perform the duties of his office due to ill health, other infirmity, absence from Sri Lanka for a period not less than three months or any other cause, the President may appoint any other appointed member to act as the Chairperson in addition to his normal duties.

**140.** Every appointed member of the Productivity Commission shall, unless he vacates office earlier by death, resignation, or removal, hold office for a period of three years, and unless removed from office shall be eligible for re-appointment, for not more than one further term, whether consecutive or otherwise.

Term of office  
of appointed  
members

**141.** (1) Any appointed member of the Productivity Commission may, at any time, resign his office by letter in that behalf addressed to the President, and such resignation shall take effect from the date on which the resignation is accepted in writing by the President.

Removal  
resignation &c.  
of appointed  
members

(2) The President may, for reasons assigned therefor remove any appointed member from office. An appointed member who has been removed from office shall not be eligible for re-appointment as a member of the Productivity Commission or to serve the Productivity Commission in any other capacity.

(3) In the event of vacation of office by death, resignation or removal of any appointed member, the President shall, having regard to the provisions of sections 137 and 138, appoint another person to fill such vacancy and such person shall hold office for the un-expired period of the term of office of the member whom he succeeds and such person shall be eligible to be reappointed for not more than one further term whether consecutive or otherwise.

(4) Where any appointed member of the Productivity Commission is temporarily unable to perform and discharge the duties and functions of his office on account of ill health or any other cause or if he is absent from Sri Lanka for a period of not less than three months, the President may, having regard to the provisions of sections 137 and 138, appoint any other person to act in place of such member during his absence.

(5) Where any appointed member of the Productivity Commission fails to attend three consecutive meetings of the Productivity Commission without obtaining prior excuse for absence from the Chairperson, such member shall be deemed to have vacated his office at the conclusion of the third meeting and the President shall appoint another person to fill such vacancy in the manner provided in subsection (3).

Financial interest  
of the members

**142.** (1) The President shall, prior to appointing a person as an appointed member of the Productivity Commission, require such person to declare that neither he nor his family has financial or other similar interest in the affairs of the Productivity Commission which is likely to affect prejudicially the performing and discharging of his duties and functions as a member of the Productivity Commission and the President shall satisfy himself of the matters so disclosed.

(2) The President shall also satisfy himself, from time to time, that no appointed member of the Productivity Commission has since being appointed to the Productivity Commission acquired any such financial or other similar interest.

(3) (a) A member of the Productivity Commission who is directly or indirectly interested in any contract, agreement, business or any other matter made or proposed to be made by the Productivity Commission, shall forthwith disclose the nature and extent of his interest to the Productivity Commission and the President, as the case may be.

(b) Every such disclosure shall be recorded in the minutes of the Productivity Commission and such member shall not thereafter take part in any matter concerning the Productivity Commission with regard to such contract, agreement, business or other matter.

(4) The Productivity Commission shall maintain a register or a record of conflict of interest on case-by-case basis.

**143.** (1) The meetings of the Productivity Commission shall be held at least once in every month or as is required for the purpose of exercise, performance and discharge its powers, duties and functions conferred on, imposed on or assigned to the Productivity Commission by this Part.

*Quorum and  
meetings of the  
Productivity  
Commission*

(2) The *quorum* for a meeting of the Productivity Commission shall be three members including the Chairperson. In the absence of the Chairperson, the *quorum* shall be three members including the acting Chairperson.

(3) A meeting of the Productivity Commission may be held either-

- (a) by the number of members who constitute a *quorum* being assembled at the place, date and time appointed for the meeting; or
- (b) by means of audio-visual communication by which all members participating and constituting a *quorum* can simultaneously see and hear each participating member for the duration of the meeting.

(4) The Chairperson shall preside at every meeting of the Productivity Commission. In the absence of the Chairperson from any meeting of the Productivity Commission, the member appointed to act in his place under subsection (5) of section 141 shall preside at such meeting.

(5) All questions for decision at any meeting of the Productivity Commission shall be decided by the vote of the majority of members present at such meeting. In the case of an equality of votes the Chairperson shall, in addition to his vote have a casting vote.

(6) The Productivity Commission may act notwithstanding any vacancy among its members, and any act or proceeding of the Productivity Commission shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

(7) Subject to the preceding provisions of this section, the Productivity Commission may regulate the procedure to be followed for the summoning and holding of its meetings and the transaction of business at such meetings.

Remuneration of  
the members of  
the Productivity  
Commission

**144.** The Chairperson and members of the Productivity Commission shall be paid such remuneration in such manner and at such rates as may be determined by Parliament which shall be charged on the Consolidated Fund.

Seal of the  
Productivity  
Commission

**145.** (1) The seal of the Productivity Commission shall be as determined by the Productivity Commission.

(2) The seal of the Productivity Commission –

- (a) may be altered in such manner as may be determined by the Productivity Commission; and
- (b) shall be in the custody of such person or persons as the Productivity Commission may determine from time to time.

(3) The seal of the Productivity Commission shall not be affixed to any instrument or document except with the sanction of the Productivity Commission and in the presence of the Chairperson and one other member of the Productivity Commission who shall sign the instrument or document in token of their presence:



Provided however, where the Chairperson is unable to be present at the time when seal of the Productivity Commission is affixed to any instrument or document, any other member of the Productivity Commission authorized in writing by the Chairperson on that behalf shall be competent to sign such instrument or document in accordance with the preceding provisions of this subsection.

(4) The Productivity Commission shall maintain a register of the instruments and documents to which the seal of the Productivity Commission has been affixed.

**146.** (1) The Productivity Commission may, whenever it may consider necessary invite expert or professional to any meeting of the Productivity Commission who has expertise on any subject which will be dealt with by the Productivity Commission at such meetings for the purpose of obtaining their views on such subject matter for the effective performance and discharge of the duties and functions of the Productivity Commission, provided however the Productivity Commission shall have the absolute discretion of accepting or rejecting the views of the expert or professional.

Productivity  
Commission to  
invite experts or  
professionals to  
meetings

(2) The expert or professional shall be paid such remuneration as may be determined by the Productivity Commission and shall have no voting rights.

(3) Every expert or professional invited by the Productivity Commission shall, prior to being engaged by the Productivity Commission, make a declaration required by section 154 and keep confidential all matters discussed

by the Productivity Commission and any other information acquired by such expert or professional in terms of its engagement with the Productivity Commission. Every such expert or professional shall also make a declaration that he has no financial or other similar interest in the affairs of the Productivity Commission.

### CHAPTER XXX

#### EXECUTIVE DIRECTOR AND THE STAFF OF THE PRODUCTIVITY COMMISSION

Executive  
Director of the  
Productivity  
Commission

**147.** (1) There shall be appointed by the Productivity Commission, an Executive Director of the Productivity Commission (hereinafter referred to as the “Executive Director”), whose qualifications and experience and the terms and conditions of employment shall be as prescribed by regulation; and

(2) The Executive Director shall be the Chief Executive Officer of the Productivity Commission.

(3) The Executive Director shall, subject to the general directions and supervision of the Productivity Commission-

- (a) be charged with the administration of the affairs of the Productivity Commission including the administration and control of the staff;
- (b) function as the Accounting Officer of the Productivity Commission;
- (c) be responsible for the execution of all decisions of the Productivity Commission; and

(d) carry out all such functions as may be assigned to him by the Productivity Commission.

(4) The Executive Director shall be entitled to be present and speak at any meetings of the Productivity Commission, but shall not be entitled to vote at such meeting.

(5) The Executive Director may, with the written approval of the Productivity Commission, whenever he considers it necessary to do so, delegate in writing to any officer or employee of the Productivity Commission, any of his powers, duties or functions and the officer or employee to whom any such power, duty or function is delegated shall exercise, perform and discharge them subject to the directions of the Productivity Commission.

(6) The Productivity Commission may remove the Executive Director from office –

- (a) if he becomes permanently incapable of exercising, performing and discharging his powers, duties and functions;
- (b) if he had done any act which, in the opinion of the Productivity Commission, is of a fraudulent or illegal character or is prejudicial to the interests of the Productivity Commission; or
- (c) has failed to comply with any directions issued by the Productivity Commission.

(7) The office of the Executive Director shall become vacant upon the death, removal from office under subsection (6) or resignation by letter in that behalf addressed to the Productivity Commission by the holder of such office.

(8) If a vacancy occurs in the office of the Executive Director, the Productivity Commission may appoint a member of the Productivity Commission to exercise, perform and discharge the powers, duties and functions of the Executive Director until an appointment is made under subsection (1).

(9) The remuneration of the Executive Director shall be determined by the Productivity Commission in accordance with any written law and any guideline issued from time to time by the Government.

Appointment of  
the staff of  
Productivity  
Commission

**148.** (1) Subject to the provisions of this Part, the Productivity Commission may appoint such number of officers and employees as may be necessary for the efficient exercise, performance and discharge of its powers, duties and functions.

(2) Subject to any written law and any guideline issued from time to time by the Government, the Productivity Commission shall determine the following matters in respect of the officers and employees appointed under subsection (1): –

- (a) disciplinary control over or dismissal such officers and employees;
- (b) the terms and conditions of employment of such officers and employees including the scheme of recruitment; and
- (c) the rates at which such officers and employees shall be remunerated.

(3) The Productivity Commission shall not, however, appoint as an officer or employee of the Productivity Commission, any person who has been dismissed from any previous position held by such person in the public or private sector.

**149.** (1) At the request of the Productivity Commission, any officer in the public service may, with the consent of that officer and of the Public Service Commission, be temporarily appointed to the staff of the Productivity Commission for such period as may be determined by the Productivity Commission, or with like consent, be permanently appointed to such staff.

Appointment of public officers to the staff of the Productivity Commission

(2) Where any officer in the public service is temporarily appointed to the staff of the Productivity Commission, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to and in relation to such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Productivity Commission, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to and in relation to such officer.

## CHAPTER XXXI

### FINANCE

**150.** (1) The productivity Commission shall have its own Fund.

Fund of the Productivity Commission

(2) There shall be credited to the Fund –

(a) all such sums of money as may be voted by Parliament, from time to time, for the use of the Productivity Commission; and

- (b) all such sums of money as may be received by the Productivity Commission for the exercise, performance and discharge of its powers, duties and functions and for the promotion of the object of the Productivity Commission, by way of loans donations, gifts, bequests or grants from whatsoever source within or outside Sri Lanka.

(3) There shall be paid out of the Fund all such sums of money required to defray the expenditure incurred by the Productivity Commission in the exercise, performance and discharge of its powers, duties and functions under this Part.

Financial year  
and audit of  
accounts of the  
Productivity  
Commission

**151.** (1) The financial year of the Productivity Commission shall be the calendar year.

(2) The Productivity Commission shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other financial transactions of the Productivity Commission.

(3) The provisions of Article 154 of the Constitution relating to the audit of accounts of public corporations shall apply to the audit of accounts of the Productivity Commission.

## CHAPTER XXXII

### GENERAL PROVISIONS

Establishment of  
committees or  
panels

**152.** (1) The Productivity Commission may establish committees and panels to assist it in the exercise, performance and discharge of its powers, duties and functions under this Part and may appoint such persons, who have the knowledge and expertise in the fields of Economics, Investment, Finance, Trade or Commerce, Law, Information Technology,

Engineering, Business or Accountancy, as the Productivity Commission may deem necessary to be members of any such committee or panel.

(2) A committee or panel shall carry out its functions and fulfil its obligations as stipulated in the terms of reference given to such committee or panel by the Productivity Commission.

(3) The Productivity Commission may, where it may consider necessary, co-opt as a member to a committee or panel, any person who possesses the required knowledge and expertise in the relevant field.

(4) The honorarium of the members of such committees or panels shall be determined by the Productivity Commission in accordance with any written law and any guideline issued from time to time by the Government.

(5) The members of such committee or panel shall be present at the meeting for which their presence is required and express their opinions but shall have no voting rights at such meetings.

**153.** (1) The Productivity Commission shall, within four months of the end of each financial year, submit to the Speaker an annual report on the activities carried out by the Productivity Commission. The following documents shall be attached to such report: -

Annual reports

- (a) the audited accounts of the Productivity Commission for the year along with the Auditor-General's report; and
- (b) a report of proposed activities for the year immediately following the year to which such report and accounts relate.

(2) The Speaker shall, within three months from the date of receipt of the annual report, table such annual report along with the documents specified in subsection (1) in Parliament for its consideration.

Declaration of  
secrecy

**154.** Every member of the Productivity Commission, Executive Director and all officers and employees of the Productivity Commission and all experts or professionals consulted by the Productivity Commission under section 146 and members of committees or panels appointed under section 152, shall, before entering upon his duties, sign a declaration pledging to observe strict secrecy in respect of all matters connected with the affairs of the Productivity Commission, which has come to his knowledge in the exercise, performance or discharge of his powers, duties or functions under this Part and by such declaration pledge himself not to disclose any such matter except-

- (a) when required to do so by a court of law;
- (b) for the purpose of exercising, performing or discharging the powers, duties and functions under this Part or any other written law; or
- (c) in order to comply with the provisions of the Right to Information Act, No.12 of 2016.

Failing to  
provide  
information &c.  
to be an offence

**155.** (1) In the performance and discharge of any of its duties and functions under this Part, the Productivity Commission or any officer or employee of the Productivity Commission authorized in that behalf by the Productivity Commission may, by a notice in writing require any public institution or any person to furnish to the Productivity Commission or to the officer or employee of the Productivity Commission, within such period as shall be specified in such notice, such information, data, statistics, or document as shall be specified in such notice.



(2) It shall be the duty of the head of such public institution or such person who is required by notice under subsection (1), to furnish any information, data, statistics or document within the period specified in such notice, to the extent permitted under the Right to Information Act, No. 12 of 2016.

(3) Any person who-

- (a) fails or refuses to furnish any information, data, statistics or document when required to do so under this section; or
- (b) makes any statement or submits an information, data, statistics or a document knowing it to be false or misleading,

commits an offence under this Part and shall, on conviction by a Magistrate be liable to a fine not more than five hundred thousand rupees.

**156.** Where a body of persons is convicted of an offence under this Part, then-

Offence by body  
of persons

- (a) if such body of persons is a body incorporate or unincorporated, every director or officer or agent thereof; and
- (b) if such body of persons is a firm, every partner, any officer or a member of such firm,

shall be liable to a fine as specified for the respective offence:

Provided however, a director or an officer or an agent of such body incorporate, unincorporated or partner of such firm shall not be deemed to be guilty of such offence if he proves that such offence was committed without his knowledge or that he used all due diligence to prevent the commission of such offence.

Members of the Productivity Commission, the Executive Director, officers and employees of the Productivity Commission deemed to be public servants

**157.** All members of the Productivity Commission, the Executive Director, officers and employees of the Productivity Commission shall be deemed to be public servants within the meaning and for the purposes of the Penal Code (Chapter 19).

Productivity Commission deemed to be a scheduled institution

**158.** The Productivity Commission shall be deemed to be a scheduled institution within the meaning and for the purposes of the Anti- Corruption Act, No. 9 of 2023 and the provisions of that Act shall be construed accordingly.

Expenses in suit or prosecution to be paid out of the Fund

**159.** (1) Any expense incurred by the Productivity Commission in any suit or prosecution brought by or against the Productivity Commission before any court or tribunal, shall be paid out of the Fund of the Productivity Commission and any costs paid to, or recovered by the Productivity Commission in any such suit or prosecution shall be credited to the Fund of the Productivity Commission.

(2) Any expense incurred by any member of the Productivity Commission, the Executive Director or any officer or employee of the Productivity Commission in any

suit or prosecution brought against such person before any court or tribunal in respect of any act which is done or is purported to be done by such person under the provisions of this Part or on the direction of the Productivity Commission shall, if the court or tribunal holds that such act was done in good faith, be paid out of the Fund of the Productivity Commission, unless such expense is recovered by such person in such suit or prosecution.

**160.** (1) The Productivity Commission may, subject to the provisions of this Part, make rules in respect of any matter for which rules are authorised to be made under this Part and all or any of the following matters: – Rules

- (a) for the regulation of the procedure to be followed for the summoning and holding of meetings of the Productivity Commission and the transaction of business at such meetings;
- (b) the form in which the information is to be provided under section 155 to the Productivity Commission;
- (c) the methodologies which shall be used to conduct public inquiries and evidence-based research on productivity; and
- (d) any other matter connected with the management of the affairs of the Productivity Commission.

(2) Every rule made by the Productivity Commission shall be published in the *Gazette* and shall come into operation on the date of its publication or on such later date as may be specified therein.

**161.** In this Part, unless the context otherwise requires- Interpretation

“person” includes any body of persons whether corporate or unincorporated and a natural person;

“public institution” includes a Government Ministry, Government department, Provincial Council, Provincial Ministry or a department, local authority or any other agency established under any written law with the financial support by Government of Sri Lanka; and

“relevant authorities’ includes the Cabinet of Ministers and Parliament.

## PART VI

### CHAPTER XXXIII

#### ESTABLISHMENT OF THE SRI LANKA INSTITUTE OF ECONOMICS AND INTERNATIONAL TRADE

Establishment of  
the Sri Lanka  
Institute of  
Economics and  
International  
Trade

**162.** (1) There shall be established an Institute which shall be called the Sri Lanka Institute of Economics and International Trade (hereinafter referred to as the “Institute”).

(2) The Institute shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in such name.

Objects of the  
Institute

**163.** The objects of the Institute shall be –

- (a) to be a platform for research and policy making relating to economics, international finance and international trade;

- (b) to provide cutting edge research and studies in the fields of economics, international finance and international trade;
- (c) to contribute ideas for stimulating policies and concepts relating to economics, international finance and international trade; and
- (d) to research effective international trade and regional trade integration polices.

**164.** The powers, duties and functions of the Institute shall be –

Powers, duties  
and functions of  
the Institute

- (a) to initiate, promote and facilitate measures for development of knowledge and skills in economics, international finance and international trade studies among parliamentarians, public officers as may be specified by rules and representatives of the private sector;
- (b) to arrange seminars, lectures, face-to-face training, study tours, practitioner exchanges, peer-learning and other modes for the dissemination of knowledge in economics, international finance and international trade among parliamentarians, senior public officials and representatives of the private sector;
- (c) to foster dialogue and partnerships in the field of studies of economics, international finance and international trade among political leaders, public officers, academia, business leaders, donor agencies and members of global institutions;
- (d) to liaise with leaders of locally and globally reputed Think Tanks, experts, academics and resource

persons in the fields of economics, international finance and international trade within and outside Sri Lanka to deliver instructions and to participate in training activities;

- (e) to undertake training and research on behalf of Parliament and State institutions including in collaboration with local Think Tanks and transform research outcomes to achievable action plans which the Government stakeholders may incorporate in their planning exercises;
- (f) to receive grants, gifts or donations in cash or kind:

Provided however, the Institute shall obtain the prior written approval of the Department of External Resources of the Ministry of the Minister assigned the subject of Finance, in respect of all foreign grants, gifts or donations made to the Institute;

- (g) to open and maintain any account with any bank as it may think appropriate and such account shall be operated in accordance with prevailing applicable written laws;
- (h) to manage, control, administer and operate the Fund of the Institute;
- (i) to invest such amount of money belonging to the Institute as are not immediately required for the purposes of this Part;
- (j) to purchase, hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property;

- (k) to enter into and perform either directly or indirectly through any officer or agent of the Institute, all such contracts or agreements as may be necessary, for the exercise of the powers, performance of its duties and the discharge of its functions;
- (l) to make rules in respect of the administration of the affairs of the Institute;
- (m) to levy fees or charges for any service rendered by the Institute;
- (n) to appoint, employ, remunerate and exercise disciplinary control over, such officers, servants and agents as may be necessary for the carrying out the objects of the Institute;
- (o) to train officers and employees of the Institute within or outside Sri Lanka; and
- (p) do all such other acts which may be incidental or conducive to the attainment of the objects of this Part or the exercise of the powers assigned to the Institute under this Part.

#### CHAPTER XXXIV

##### ADMINISTRATION AND MANAGEMENT OF THE AFFAIRS OF THE INSTITUTE

**165.** (1) The administration, management and control of the affairs of the Institute shall be vested in a Board of Governors (in this Part referred to as the “Institute Board”).

Administration  
and management  
of the Institute

(2) The Institute Board shall, for the purpose of administering the affairs of the Institute, exercise, perform and discharge the powers, duties and functions conferred on, assigned to or imposed on the Institute by this Part.

Constitution of  
the Institute  
Board

**166.** The Institute Board shall consist of –

- (a) the following *ex-officio* members, namely:–
- (i) the Secretary to the Treasury or his nominee who shall be an officer not below the rank of a Director General of a Department in the Ministry of the Minister assigned the subject of Finance;
  - (ii) a nominee of the Economic Commission;
  - (iii) the Ambassador for International Trade;
- (b) three members appointed by the Minister who shall possess academic and professional qualifications and has experience in one or more of the fields of Economics, International Finance and International Trade Studies; and
- (c) the following nominated members: -
- (i) a member nominated by the Ceylon Chamber of Commerce established by Ceylon Chamber of Commerce Ordinance (Chapter 289);
  - (ii) a member nominated by the Federation of Chambers of Commerce and Industry of Sri Lanka registered under the Companies Act, No. 07 of 2007; and
  - (iii) a Professor of Economics nominated by the University Grants Commission established by the Universities Act, No. 16 of 1978.



**167.** (1) The Minister shall appoint one of the appointed members to be the Chairperson of the Institute Board.

Chairperson of  
the Institute  
Board

(2) The Chairperson may resign from his office by letter addressed to the Minister and such resignation shall be effective from the date on which it is accepted by the Minister.

(3) The Minister may, for reasons assigned in writing remove the Chairperson from the office of the Chairperson.

(4) Subject to the provisions of subsections (2) and (3), the term of office of the Chairperson shall be the period of his membership of the Institute Board.

(5) Where the Chairperson is temporarily unable to exercise, perform and discharge the powers, duties and functions of his office due to ill health, other infirmity, absence from Sri Lanka or any other cause, the Minister may appoint any other appointed member to act as the Chairperson in addition to his normal duties as an appointed member.

**168.** A person shall be disqualified from being appointed or continuing as a member of the Institute Board, if he –

Disqualifications  
from being a  
member of the  
Institute Board

- (a) is or becomes a member of Parliament or of any Provincial Council or of any local authority;
- (b) is not or ceases to be a citizen of Sri Lanka;
- (c) is under any law in force in Sri Lanka or any other country found or declared to be of unsound mind;
- (d) is a person who having been declared insolvent or bankrupt under any law in force in Sri Lanka and is an undischarged insolvent or bankrupt;

- (e) is subject to an ongoing investigation in respect of an offence involving dangerous drugs, narcotic drugs or psychotropic substances or fraud;
- (f) is serving or has served a sentence of imprisonment of more than six months imposed by any court in Sri Lanka or any other country;
- (g) holds or enjoys any right or benefit under any contract made by or on behalf of the Institute; or
- (h) has any financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Institute Board.

Term of office

**169.** Every appointed member of the Institute Board shall, unless he vacates office earlier by resignation, death or removal, hold office for a period of three years from the date of his appointment and unless is removed from office shall be eligible for reappointment for not more than one further term, whether consecutive or otherwise.

Resignation and removal

**170.** (1) Any appointed member of the Institute Board may at any time, resign from his office by a letter to that effect, addressed to the Minister, and such resignation shall be effective from the date on which it is accepted by the Minister in writing.

(2) Where any appointed member by reason of illness, infirmity or absence from Sri Lanka is temporarily unable to discharge the functions of his office, the Minister may, having regard to the provisions of sections 166 and 168, appoint some other person to act in his place.

(3) The Minister may for reasons assigned in writing, remove an appointed member from office. An appointed

member who has been removed from office shall not be eligible for reappointment as a member of the Institute Board or to serve the Institute Board in any other capacity.

(4) Where an appointed member dies, resigns or is removed from office, the Minister may, having regard to the provisions of sections 166 and 168, appoint another person in his place and the person so appointed shall hold office for the unexpired period of the term of office of the member whom he succeeds.

**171.** (1) The meetings of the Institute Board shall be held at least once in every month and the *quorum* for a meeting of the Institute Board shall be three members.

*Quorum* and  
meetings of the  
Institute Board

(2) The Chairperson shall preside at every meeting of the Institute Board. In the absence of the Chairperson from any meeting of the Institute Board, a member elected by the members present shall preside at such meeting.

(3) A meeting of the Institute Board may be held either-

- (a) by the number of members who constitute a *quorum* being assembled at the place, date and time appointed for the meeting; or
- (b) by means of audio-visual communication by which all members participating and constituting a *quorum* can simultaneously see and hear each participating member for the duration of the meeting.

(4) All questions for a decision at any meeting of the Institute Board shall be decided by the vote of the majority of members present at such meeting. In the case of an equality of votes, the Chairperson or the presiding member shall, in addition to his vote have a casting vote.

(5) Subject to the preceding provisions of this section, the Institute Board may regulate the procedure in relation to the meetings of the Institute Board and the transaction of business at such meetings.

Acts or proceedings of the Institute Board deemed not to be invalid by reason of any vacancy

**172.** The Institute Board may act, notwithstanding any vacancy among its members and any act or proceeding of the Institute Board shall not be or deemed to be invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

Remuneration of the members of the Institute Board

**173.** The members of the Institute Board shall be paid remuneration in such manner and at such rates as may be determined by the Minister, with the concurrence of the Minister assigned the subject of Finance.

Seal of the Institute

**174.** (1) The seal of the Institute –

- (a) shall be in the custody of such person as the Institute Board may determine from time to time;
- (b) may be altered in such manner as may be determined by the Institute Board; and
- (c) shall not be affixed to any instrument or document except with the sanction of the Institute Board and in the presence of the Chairperson and one other member of the Institute Board who shall sign the instrument or document in token of their presence:

Provided however, where the Chairperson is unable to be present at the time when the seal of the Institute is affixed to any instrument or document,

any other member of the Institute Board authorised in writing by the Chairperson in that behalf shall be competent to sign such instrument or document in accordance with the preceding provisions of this subsection.

(2) The Institute shall maintain a register of the instruments and documents to which the seal of the Institute has been affixed.

#### **CHAPTER XXXV**

##### **DIRECTOR AND THE STAFF OF THE INSTITUTE**

**175.** (1) There shall be a Director of the Institute appointed by the Minister, in consultation with the Institute Board. The Director, unless he vacates office earlier by death, by operation of law, resignation or removal shall hold office for a term of five years and shall be eligible for reappointment subject to a maximum period of any two terms of office whether consecutive or otherwise.

Appointment of  
an Advisory  
Committee

(2) The qualifications and experience of the person who shall be appointed as the Director and the terms and conditions of employment of the Director shall be as prescribed by regulation.

(3) The Director shall, subject to the general directions and supervision of the Institute Board –

- (a) be charged with the administration of the affairs of the Institute including the administration and control of the staff;
- (b) be responsible for the execution of all decisions of the Institute Board; and
- (c) carry out all such functions as may be assigned to him by the Institute Board.

(4) The Director shall be present and speak at any meeting of the Institute Board, but shall not be entitled to vote at such meeting.

(5) The Director may, with the approval of the Institute Board, wherever he considers it necessary to do so, delegate in writing to any officer or employee of the Institute, any of his powers, duties or functions conferred or imposed on, or assigned to him by this Part and the officer or employee to whom any such power, duty or function is delegated shall exercise, perform or discharge them, subject to the directions of the Director.

(6) The Minister may, on the recommendation of the Institute Board, remove the Director from office –

- (a) if he becomes permanently incapable of performing his duties;
- (b) if he had done any act which the Institute Board has decided to be of a fraudulent or illegal character or is prejudicial to the interests of the Institute; or
- (c) has failed to comply with any direction issued by the Institute Board.

Staff of the  
Institute and  
remuneration

**176.** (1) Subject to the provisions of this Part, the Institute may employ or appoint such officers and employees as may be necessary for the efficient exercise, performance and discharge of its powers, duties and functions.

(2) The Director and the staff of the Institute shall be remunerated in such manner and at such rates, and shall be subject to such conditions of service as may be determined by the Minister, in consultation with the Minister assigned the subject of Finance.

**177.** (1) At the request of the Institute any officer in the public service may, with the consent of that officer and the Public Service Commission be temporarily appointed to the staff of the Institute for such period as may be determined by the Institute or with like consent, be permanently appointed to such staff.

Appointment of public officer to the staff of the Institute

(2) Where any officer in the public service is temporarily appointed to the staff of the Institute, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall *mutatis mutandis* apply to and in relation to such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Institute, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall *mutatis mutandis* apply to and in relation to such officer.

(4) Where the Institute employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service to the Institute by that person shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

**178.** (1) At the request of the Institute, any officer or employee of any higher educational Institution established under the Universities Act, No. 16 of 1978 may, with the consent of that officer or employee and the principal executive officer of that higher educational institution be temporarily appointed to the staff of the Institute. Such appointment shall be for a period as may be determined by the Institute or with the consent be permanently appointed to such staff, on such terms and conditions including those relating to pension or provident fund rights, as may be agreed upon by the Institute and such principal executive officer.

Appointment of official from higher educational institution to the Institute

(2) Where any officer is temporarily appointed to the staff of the Institute under subsection (1), such person shall be subject to the same disciplinary control as any other member of the staff of the Institute.

Appointment of  
an Advisory  
Committee

**179.** (1) The Institute Board may –

- (a) appoint an Advisory Committee as it may consider necessary or appropriate constituting of such persons selected from among persons having academic or professional qualifications or representing professional institutions or non-governmental organizations to assist it in the exercise, performance and discharge of its powers, duties and functions under this Part; and
- (b) obtain the services of any expert outside its permanent staff, as advisors or consultants.

(2) The Institute Board may assign to an Advisory Committee established under subsection (1), such of its powers, duties or functions as it may consider necessary, however, the Institute Board shall not be divested of any such power, duty or function so assigned. The Institute Board shall have the power to amend or revoke any decision made by an Advisory Committee.

(3) (a) It shall be the duty of the Institute Board to ensure that no person who has a conflict of interest or is in a position to exercise undue influence on any decision that the Institute Board is called upon to make under this Part or any regulations or rules made thereunder, is appointed under subsection (1) as a member of the Advisory Committee or as an expert.

(b) For the purpose of this subsection “undue influence” means manipulating or coercing the Institute Board in making its decisions it would not willingly undertake under normal circumstances.



(4) The members of the Advisory Committee and any expert under subsection (1) may be paid out of the Fund of the Institute, such allowance as the Minister may determine with the concurrence of the Minister assigned the subject of Finance.

(5) The Institute Board shall make rules for the procedure in regard to the meetings of the Advisory Committee and the transaction of business at such meetings.

**180.** (1) For the purposes of this Part, the Institute Board may appoint a Team of Instructors and an Operations Team from universities and public institutions that produce economic, international finance and international trade knowledge and from privately funded independent Think Tanks on secondment basis.

Team of  
Instructors and  
Operations  
Team

(2) Any person appointed to the Team of Instructors and the Operations Team, as the case may be, shall be subject to the provisions of this Part.

(3) The members of the Team of Instructors and the Operations Team shall be paid remuneration in such manner and at such rates as may be determined by the Minister with the concurrence of the Minister assigned the subject of Finance.

## CHAPTER XXXVI

### FINANCE

**181.** (1) The Institute shall have its own Fund (hereinafter referred to as “the Fund”).

Fund of the  
Institute

(2) There shall be credited to the Fund –

- (a) all sums of money as may be voted from time to time by Parliament, for the use of the Institute;
- (b) all such sums of money as may be received by the Institute in the exercise, performance and discharge of its powers, duties and functions under this Part; and
- (c) all such sums of money as may be received by the Institute by way of income, fees, charges, grants, gifts or donations from any source whatsoever whether within or outside Sri Lanka:

Provided that, the Institute shall obtain the prior written approval of the Department of External Resources of the Ministry of the Minister assigned the subject of Finance, in respect of all foreign grants, gifts or donations made to the Institute.

(3) There shall be paid out of the Fund –

- (a) all such sums of money as are required to defray any expenditure incurred by the Institute in the exercise, performance and discharge of its powers, duties and functions under this Part; and
- (b) all such sums of money as are required to be paid out of the Fund by or under this Part.

Financial year  
and audit of  
accounts

**182.** (1) The financial year of the Institute shall be the calendar year.

(2) The Institute Board shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other transactions of the Institute.

(3) The provisions of Article 154 of the Constitution and the National Audit Act, No. 19 of 2018 relating to the audit of the accounts of public corporations shall apply to the audit of accounts of the Institute.

(4) The Institute Board shall submit the audited statement of accounts together with the auditor's report to the Minister within one hundred and fifty days of the end of the financial year to which such report relates. The Minister shall place such statement and the report before Parliament within two months of the receipt thereof.

## **CHAPTER XXXVII**

### **GENERAL PROVISIONS**

**183.** No civil or criminal proceedings shall be instituted against any member of the Institute Board, the Director, any officer or employee of the Institute or any member of the Advisory Committee, Team of Instructors or an Operations Team, for any act which in good faith is done or purported to be done by him under this Part or on the directions of the Institute or the Institute Board, as the case may be, if he proves that he acted in good faith and exercised due diligence, reasonable care and skill.

Protection for  
action taken  
under this Part

**184.** (1) Every member of the Institute Board, the Director, and every officer or employee of the Institute or every member of the Advisory Committee, Team of Instructors or Operations Team, shall, before entering into the duties of his office sign a declaration that he will not disclose any information received by him or coming to his knowledge in the exercise, performance and discharge of his powers, duties and functions under this Part except for the purpose of giving effect to the provisions of this Part to the extent permitted under the provisions of the Right to Information Act, No. 12 of 2016.

Duty to  
maintain  
Secrecy

(2) Any person who contravenes the provisions of subsection (1) commits an offence under this Part, and shall be liable on conviction after summary trial by a Magistrate to a fine not exceeding one hundred thousand rupees or imprisonment of either description for a term not exceeding twelve months or to both such fine and imprisonment.

Database

**185.** (1) The Institute shall create, manage and maintain a database of all information collected under the provisions of this Part.

(2) The Institute shall take all necessary steps including technical safeguards to ensure the security of all its databases and data.

Institute deemed to be a scheduled institution

**186.** The Institute shall be deemed to be a scheduled institution within the meaning of the Anti- Corruption Act, No. 9 of 2023 and the provisions of that Act shall be construed accordingly.

Members, Director, officers and employees of the Institute deemed to be public servants

**187.** All members of the Institute Board, Advisory Committee, Team of Instructors and Operations Team, the Director and all officers and employees of the Institute shall be deemed to be public servants within the meaning and for the purposes of the Penal Code (Chapter 19).

Directions of the Minister

**188.** The Minister may, from time to time, issue to the Institute Board general or special directions as to the exercise, performance and discharge of the powers, duties and functions of the Institute Board.

Rules

**189.** (1) Subject to the provisions of this Part, the Institute Board may make rules in respect of all or any of the following matters: -

- (a) all matters for which rules are authorized or required to be made under this Part;
- (b) the meetings of the Institute Board and the Advisory Committee and the procedure to be followed at such meetings; and
- (c) the appointment, promotion, remuneration and disciplinary control of officers and employees and the grant of leave and other emoluments to officers and employees.

(2) Every rule made by the Institute shall be approved by the Minister and published in the *Gazette* and shall come into operation on the date of its publication or on such later date as may be specified therein.

**190.** (1) The Minister shall make regulations for the purpose of carrying out and giving effect to the principles and provisions of this Part.

Regulations

(2) Every regulation made by the Minister within three months after its publication in the *Gazette* be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of such disapproval but without prejudice to anything previously done thereunder.

(3) Notification of the date on which any regulation is so disapproved shall be published in the *Gazette*.

**191.** In this Part, unless the context otherwise requires-

Interpretation

“Minister” means the Minister assigned the subject and function of the Institute under Article 44 or 45 of the Constitution;

“Think Tank” means a policy institute or a research institute that performs research and advocacy in the fields of economics, international finance and international trade.

## PART VII

### CHAPTER XXXVIII

#### MISCELLANEOUS

#### Regulations

**192.** (1) The Minister may, in consultation with the Economic Commission, make regulations in respect of all matters which are required by this Act to be prescribed or in respect of which regulations are required or authorized to be made under this Act.

(2) Every regulation made under subsection (1) shall be published in the *Gazette* and shall come into operation on the date of publication or on such later date as may be specified therein.

(3) Every regulation made under subsection (1) shall, within three months from the date of its publication in the *Gazette*, be placed before Parliament for approval. Every regulation which is not so approved shall be deemed to be rescinded as from the date of disapproval, but without prejudice to anything previously done thereunder.

(4) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

#### Repeals and savings

**193.** (1) The Board of Investment of Sri Lanka Law, No. 4 of 1978 is hereby repealed (in this Act referred to as the “repealed Law”).

(2) Notwithstanding the repeal of the Board of Investment of Sri Lanka Law, No. 4 of 1978 -

- (a) every reference to the repealed law or any provision thereof in any other written law shall be construed as a reference to Part II, Part III or this Part or the corresponding provisions contained in Part II, Part III or this Part, as the case may be;
- (b) every reference to the BOI in any other written law shall be construed as a reference to the Economic Commission or Zones SL in the corresponding provisions in Part II or Part III, as the case may be;
- (c) the members of the Board of the BOI under the repealed Law, functioning as such on the day immediately preceding the appointed date shall be deemed to be the members of the Board of the Economic Commission for the purposes of Part II, Part III and this Part until a new Board of the Economic Commission is appointed under Part II;
- (d) all approvals, licences, authorizations and permissions issued by the BOI and in force on the day immediately preceding the appointed date shall, subject to such modifications as agreed between the Economic Commission or Zone SL, as the case may be and the investor continue to be valid and in force;
- (e) all approvals, licences, authorisations and permissions issued and contracts, agreements or other instruments entered into under any other written law for the purpose of promoting and facilitating investment and in force on the day

immediately preceding the appointed date shall, subject to such modifications as agreed between the Economic Commission or Zone SL, as the case may be and the investor continue to be valid and in force;

- (f) all regulations, rules, directives and Orders made under the repealed Law and in force on the day immediately preceding the appointed date shall, in so far as such regulations, rules, directives and Orders are not inconsistent with the provisions of this Act shall be deemed to be made under this Act, and such regulations, rules, directives and Orders may be amended, rescinded or altered by regulations, rules, directives or Orders made under this Act;
- (g) all property, both movable and immovable, which were owned by or was in the possession of the BOI in terms of the repealed Law-
  - (i) and existing on the day immediately preceding the appointed date shall, subject to the provisions of subparagraph (ii), with effect from the appointed date be deemed to be the property of or be in the possession of the Economic Commission, as the case may be; and
  - (ii) in respect of licensed zones and existing on the day immediately preceding the appointed date shall, with effect from the appointed date be deemed to be the property of or be in the possession of the Zones SL, as the case may be;



- (h) all contracts, agreements and other instruments entered into by or with the BOI under the repealed Law -
  - (i) and subsisting on the day immediately preceding the appointed date shall, subject to the provisions of subparagraph (ii), be deemed to be contracts, agreements and instruments entered into by or with or for the Economic Commission and all rights, privileges, obligations, debts and liabilities of the BOI subsisting on the day immediately preceding the appointed date shall be deemed to be rights, privileges, obligations, debts and liabilities of the Economic Commission under Part II; and
  - (ii) in respect of licensed zones and enterprises located therein and subsisting on the day immediately preceding the appointed date shall be deemed to be contracts, agreements and instruments entered into by or with or for the Zones SL and all rights, privileges, obligations, debts and liabilities of the BOI in respect thereof subsisting on the day immediately preceding the appointed date shall be deemed to be rights, privileges, obligations, debts and liabilities of the Zones SL under Part III;
- (i) any application made under the provisions of the repealed Law-
  - (i) shall, subject to the provisions of subparagraph (ii), with effect from the appointed date be deemed to be

an application made to the Economic Commission established under Part II and shall be dealt with accordingly; and

- (ii) relating to licensed zones and enterprises located therein shall, with effect from the appointed date be deemed to be an application made to the Zones SL established under Part III and shall be dealt with accordingly;
- (j) all sums of money lying to the credit of the Fund of the BOI and existing on the day immediately preceding the appointed date shall, with effect from the appointed date stand transferred to the Fund of the Economic Commission established under Part II;
- (k) all suits, actions or other legal proceedings instituted by or against the BOI-
- (i) and pending on the day immediately preceding the appointed date shall, subject to the provisions of subparagraph (ii), be deemed, with effect from the appointed date to be suits, actions or other legal proceedings instituted by or against the Economic Commission; and
  - (ii) in respect of licensed zones or enterprises located therein, with regard to the matters that fall within the purview of the Zones SL and pending on the day immediately preceding the appointed date shall, be deemed with effect from the appointed date to be suits, actions or other legal proceedings instituted by or against the Zones SL under Part III:

Provided however, any suit, action or other legal proceeding instituted by or against the BOI pertaining to matters that fall within the purview of both the Economic Commission and Zones SL and pending on the day immediately preceding the appointed date shall, with effect from the appointed date be deemed to be suits, actions and other legal proceedings instituted by or against both the Economic Commission and Zones SL;

- (l) all interests, rights, assets, obligations, debts and liabilities of the BOI-
  - (i) and pending on the day immediately preceding the appointed date shall, subject to the provisions of subparagraph (ii), be deemed with effect from the appointed date to be the interests, rights, assets, obligations, debts and liabilities of the Economic Commission; and
  - (ii) in respect of licensed zones and enterprises located therein and pending on the day immediately preceding the appointed date shall be deemed, with effect from the appointed date deemed to be interests, rights, assets, obligations, debts and liabilities of the Zones SL;
- (m) the officers and employees of the BOI, holding office on the day immediately preceding the appointed date -

- (i) shall be deemed, with effect from the appointed date to be officers and employees of the Economic Commission, on terms and conditions not less favourable than the terms and conditions of employment to which they were entitled; and
- (ii) attached to licensed zones, shall be deemed, with effect from the appointed date to be officers and employees of the Zones SL, on terms and conditions not less favourable than the terms and conditions of employment to which they were entitled:

Provided that the period that an employee served with the BOI shall be taken into consideration when calculating the statutory payments that are payable to such employee;

- (n) the officers and employees of the BOI, holding office on the day immediately preceding the appointed date who do not opt to join the service of the Economic Commission or the Zones SL, shall be paid such compensation in terms of a voluntary retirement scheme as shall be prescribed by the Minister:

Provided that such voluntary retirement scheme shall be published on a date not more than one month after the appointed date and every officer or employee deemed to be an officer or employee of the Economic Commission or Zones SL under paragraph (m) shall communicate his option within one month of the date of publication of the voluntary retirement scheme.

(3) Without prejudice to the powers vested in the Economic Commission or Zones SL under this Act, the Economic Commission or Zones SL, as the case may be, shall continue to exercise all powers exercised by the BOI in respect of and over Areas of Authority, licensed zones, licensed enterprises and area enterprises, established in terms or under the authority of the repealed Law. Without limiting the general powers that shall be exercised by the Economic Commission or Zones SL, as the case may be, in that respect, the powers set out in the repealed Law under sections 5, 16, 17, 18, 20, 20A, 21, 22, 22A, and 24 shall continue with full force and effect:

Provide however, the provisions of this subsection shall not be in derogation of the powers or functions exercised or discharged by the Economic Commission or Zones SL, as the case may be, in relation to the management or operation of Areas of Authority, licensed zones, licensed enterprises and area enterprises, as the case may be.

(4) The Economic Commission shall have the power to make by-laws for the purpose of amending, rescinding or altering all by-laws deemed to be made by the BOI and all by-laws made by the BOI under sections 21 and 22 of the repealed Law and in force on the day immediately preceding the appointed date.

**194.** In this Act unless the context otherwise requires-

Interpretation

“Area of Authority” means the Area of authority referred to in section 5 of the repealed Law;

“area enterprise” means an enterprise with which the BOI has entered into an agreement under section 17 of the repealed Law and which carries on business or is proposing to carry on business within the Area of Authority;

“BOI” means the Board of Investment of Sri Lanka established by the repealed Law;

“enterprise” means any sole proprietorship, partnership, company or cooperative society wherever registered or incorporated under any law for the time being in force relating to companies, corporative societies or business and engage in or proposing to engage in any business which in the opinion of the BOI would achieve or assist in the achievement of the objects of the BOI;

“licensed zones” means the licensed zones referred to in section 5 of the repealed Law;

“licensed enterprises” means the licensed enterprises referred to in section 5 of the repealed Law;

“Minister” for the purpose of Parts II and III and this Part means the Minister assigned the subject and function relating to the Economic Commission and Zones SL under Article 44 or 45 of the Constitution;

“zone developer” means a person who is assigned the development of an investment zone; and

“zone operator” means a person who manages a developed investment zone.

Sinhala text to prevail in case of inconsistency

**195.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**MEDICAL (AMENDMENT)  
ACT, No. 46 OF 2024**

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**[Certified on 15th of August, 2024]**

*Printed on the Order of Government*

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*Medical (Amendment)*  
*Act, No. 46 of 2024*

[Certified on 15th of August, 2024]

L. D.- O. 2/2024

AN ACT TO AMEND THE MEDICAL ORDINANCE (CHAPTER 105)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

1. This Act may be cited as the Medical (Amendment) Act, No. 46 of 2024. Short title
2. Section 19 of the Medical Ordinance (Chapter 105) (hereinafter referred to as the “principal enactment”) is hereby amended as follows:- Amendment of section 19 of Chapter 105
  - (1) in paragraph (f) thereof, by the substitution for the words “universities and other institutions.” of the words “universities and other institutions;”; and
  - (2) immediately after paragraph (f) thereof, by the addition of the following:-
    - “(g) the criteria of recognizing and renewal of recognition of any medical qualification relating to any degree programme conducted by a recognized university or institution;
    - (h) the criteria of adopting the international ranking and categorization of any recognized university or institution in recognizing the medical qualification relating to any degree programme conducted by any recognized university or institution;
    - (i) the procedure to be followed in approving any medical qualification relating to degrees obtained from a recognized university or institution; and

- (j) the evaluation criteria and conditions in respect of any examination to practice medicine or dentistry in Sri Lanka for citizens of Sri Lanka holding any medical qualification relating to any degree obtained from any foreign university or institution.”.

Amendment of  
section 19C of  
the principal  
enactment

**3.** Section 19C of the principal enactment is hereby amended as follows:-

- (1) by the insertion immediately after subsection (2) thereof, of the following:-

“(2A) Upon receipt of any comments from a recognized university or institution under subsection (2), the Minister shall refer such comments together with the recommendation made by the Medical Council under subsection (1) to a committee consisting of the following members:-

- (a) the Additional Secretary (Medical Services) of the Ministry of the Minister assigned the subject of Health; and
- (b) four other eminent Professors in the medical field nominated by the Secretary to the Ministry of the Minister assigned the subject of Health in consultation with the University Grants Commission.”;

- (2) by the repeal of subsection (3) thereof, and the substitution therefor of the following:-

“(3) Where the Minister after examining the recommendation made by the Medical Council under subsection (1) and the comments, if any, made by a recognized university or institution under subsection (2), and in consultation with the committee appointed under subsection (2A), is satisfied that –

- (a) the course of study provided by such university or institution leading to the grant or conferment of a medical qualification;
- (b) the degree of proficiency required at examinations held by such university or institution for grant or conferment of such qualification;
- (c) the staff, equipment, accommodation and facilities provided by such university or institution for such course of study,

do not conform to the prescribed standards, he shall, declare by Order published in the *Gazette* that any provision of this Ordinance which enables the holder of such qualification to be registered under this Ordinance shall cease to have effect in relation to such university or institution or in relation to any institution affiliated to such university, from such date as specified in such Order.”.

Amendment of section 19E of the principal enactment

**4.** Section 19E of the principal enactment is hereby amended in the definition of the expression “recognized university or institution”, by the substitution for the words “any university or institution” of the words “any university or institution, or any institution affiliated to such university whether local or foreign”.

Amendment of section 29 of the principal enactment

**5.** Section 29 of the principal enactment is hereby amended as follows: -

- (1) in subsection (1) thereof, by the substitution in paragraph (b) (ii) (bb), for the words “recognized by the Medical Council” of the words “recognized by the Medical Council as shall be prescribed,”;
- (2) in subsection (1) thereof, by the substitution in paragraph (b) (iv) (bb) (i) for the words “recognized by the Medical Council” of the words “recognized by the Medical Council as shall be prescribed,”;
- (3) in subsection (2) thereof, by the substitution in paragraph (b) (iii) (bb) (i) for the words “recognized by the Medical Council” of the words “recognized by the Medical Council as shall be prescribed,”; and
- (4) in subsection (2) thereof, by the substitution in paragraph (b) (iii) (bb) (ii) for the words “recognized by the Medical Council” of the words “recognized by the Medical Council as shall be prescribed,”.

Sinhala text to prevail in case of inconsistency

**6.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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**PARLIAMENT OF THE DEMOCRATIC  
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SRI LANKA**

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**MEDICAL (AMENDMENT)  
ACT, No. 47 OF 2024**

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*Medical (Amendment)  
Act, No. 47 of 2024*

[Certified on 15th of August, 2024]

L. D.- O. 7/2024

AN ACT TO AMEND THE MEDICAL ORDINANCE (CHAPTER 105)

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

- 1.** This Act may be cited as the Medical (Amendment) Act, No. 47 of 2024. Short title
- 2.** Section 20 of the Medical Ordinance (Chapter 105) (hereinafter referred to as the “principal enactment”) is hereby amended as follows:- Amendment of section 20 of Chapter 105

  - (1) in subsection (5c) thereof, by the substitution for the words “provisionally registered as dentists.” of the words “provisionally registered as dentists;”;
  - (2) by the addition immediately after subsection (5c) thereof, of the following: -

“(5D) The registrar shall enter in a separate part of the register specified in paragraph (aa) of subsection (1), the name of every person who proves his claim to be provisionally registered as a specialist under section 39<sub>BA</sub>, and, if that person is registered thereafter as a specialist under section 39<sub>B</sub>, the registrar shall strike off the name of that person from such part of the aforesaid register which contains the names of the persons provisionally registered as specialists.”.
- 3.** The following new section is hereby inserted immediately after section 39<sub>B</sub> of the principal enactment and shall have effect as section 39<sub>BA</sub> of that enactment: - Insertion of new section 39<sub>BA</sub> in the principal enactment

“Provisional  
registration as  
a medical  
specialist

39BA. (1) A person who possesses the qualification referred to in subsection (4) of section 39A may make an application to the Medical Council for the provisional registration as a medical specialist for obtaining the Board Certification issued by the Post Graduate Institute of Medicine in the manner as may be determined by the Post Graduate Institute of Medicine as a prerequisite to register as a medical specialist under section 39B.

(2) Such person shall –

- (a) be of good character; and
- (b) make an application to the Medical Council for the purpose specified in subsection (1) along with the following documents:-
  - (i) a letter of eligibility to practice issued by the Post Graduate Institute of Medicine;
  - (ii) the certificate of experience certifying the employment of the applicant in a resident capacity in one or more hospitals outside Sri Lanka as a Medical officer and as a specialist;



- (iii) registration certificate of the first degree in proof of registration with the Medical Council of the country where such person is graduated;
  - (iv) a copy of specialist certification (Board certification) issued by the relevant authority of the country where the applicant has obtained his post graduate qualification; and
- (c) pay the fee as shall be determined by the Medical Council for such provisional registration.

(3) The provisional registration obtained under this section shall be valid only for a period of one year from the date on which such provisional registration is granted.”.

**4.** The Second Schedule of the principal enactment is hereby amended as follows:-

Amendment of  
the Second  
Schedule of the  
principal  
enactment

- (1) by the insertion immediately after the words “SECOND SCHEDULE” of the following:-

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*Medical (Amendment)  
Act, No. 47 of 2024*

“Part I”; and

(2) by the insertion, immediately after the Second Schedule, of the following:-

“Part II

[Section 39BA]

DECLARATION FOR REGISTRATION AS A PROVISIONAL MEDICAL SPECIALIST

\*Where the applicant holds the qualification specified in subsection (4) of section 39A

I, (name and address of applicant) hereby declare as follows:-

I am the above-named person who possesses the qualification specified in subsection (4) of section 39A and has applied for provisional registration as a medical specialist under this Ordinance to obtain Board Certification issued by Post Graduate Institute of Medicine as a prerequisite to register as a medical specialist under section 39B.

Signature of applicant

Declared before me on the ... day of .....

Justice of Peace/Commissioner for Oaths”.

Sinhala text to prevail in case of inconsistency

**5. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.**

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**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**RECIPROCAL RECOGNITION, REGISTRATION AND  
ENFORCEMENT OF FOREIGN JUDGMENTS  
ACT, No. 49 OF 2024**

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*Reciprocal Recognition, Registration and  
Enforcement of Foreign Judgments  
Act, No. 49 of 2024*

[Certified on 13th of September, 2024]

L.D.—O. 19/2022

AN ACT TO MAKE PROVISION FOR THE RECIPROCAL RECOGNITION, REGISTRATION AND ENFORCEMENT IN SRI LANKA OF JUDGMENTS OF COURTS OF OTHER COUNTRIES; AND TO REPEAL THE ENFORCEMENT OF FOREIGN JUDGMENTS ORDINANCE (CHAPTER 93) AND THE RECIPROCAL ENFORCEMENT OF JUDGMENTS ORDINANCE (CHAPTER 94); AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

1. (1) This Act may be cited as the Reciprocal Recognition, Registration and Enforcement of Foreign Judgments Act, No. 49 of 2024.

Short title and  
date of  
operation

(2) The provisions of this Act, other than the provisions of this section shall come into operation on such date as the Minister may appoint by Order published in the *Gazette* (in this Act referred to as the “appointed date”).

(3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

PART I

APPLICATION OF THE ACT

2. (1) Where-

Application of  
the Act

(a) (i) the Government of Sri Lanka and the Government of any foreign country enter into any treaty as respects the reciprocal

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                 Enforcement of Foreign Judgments  
                 Act, No. 49 of 2024*

recognition, registration and enforcement  
of judgments of the courts of Sri Lanka  
and of such foreign country; or

(ii) any written law in force on the day  
immediately preceding the appointed date  
provides for the reciprocal recognition,  
registration and enforcement in Sri Lanka  
of judgments of the courts of a foreign  
country; and

(b) the Minister is satisfied that by extending the  
provisions of this Part of this Act to judgments  
of the courts of such foreign country a substantial  
reciprocity of treatment will be assured as  
respects the recognition, registration and  
enforcement in such foreign country of  
judgments of the courts of Sri Lanka,

the Minister may, by Order published in the *Gazette*, declare  
that the provisions of this Part of this Act shall extend to the  
judgments of such courts of that foreign country as are  
specified in such Order.

(2) The Minister may, if he considers it appropriate, seek  
the views of the Minister assigned the subject of Foreign  
Affairs and the Attorney-General in making an Order under  
subsection (1).

(3) An Order made under subsection (1) shall-

(a) come into operation on the date of publication  
of such Order in the *Gazette* or on such later date  
as may be specified therein; and

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*Enforcement of Foreign Judgments*  
*Act, No. 49 of 2024*

- (b) subject to the provisions of subsection (4), remain in force so long as may be specified in such Order or for such period as the treaty or the written law referred to in paragraph (a) of subsection (1) remains in force.

(4) The Minister may, having regard to the provisions of paragraphs (a) and (b) of subsection (1), by a subsequent Order amend, vary or revoke any Order previously made under that subsection.

(5) (a) Every Order made by the Minister shall, within three months after its publication in the *Gazette*, be brought before Parliament for approval.

(b) Any Order which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything duly done thereunder.

(6) A notification of the date on which an Order is deemed to be rescinded shall be published in the *Gazette*.

**3. (1)** The provisions of this Act shall apply to a judgment of a court of a foreign country specified in the Order published under section 2, only if such judgment is final and conclusive as between the parties to such judgment, and-

Judgments to which this Act shall apply

- (a) any one or more of the following conditions are satisfied by the applicant: -
- (i) the judgment-creditor or the judgment-debtor was a resident of the country of the original court at the time such judgment-creditor or the judgment-debtor, as the case may be, became a party to the proceedings in the original court;

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Enforcement of Foreign Judgments  
Act, No. 49 of 2024*

- (ii) the judgment-debtor, if he is a natural person, had his principal place of business in the country of the original court at the time that judgment-debtor became a party to the proceedings in the original court;
  - (iii) the judgment-creditor is the person who has obtained the judgment based on his claim or claim in reconvention in an action;
  - (iv) the judgment-debtor has maintained a branch, agency or other establishment with or without separate legal personality in the country of the original court at the time such judgment-debtor became a party to the proceedings in the original court;
  - (v) the judgment-debtor has agreed to submit or submitted to the jurisdiction of the original court;
  - (vi) the property relating to the judgment, whether movable or immovable is situated in Sri Lanka or in the country of the original court at the time of the proceedings in the original court;
  - (vii) the applicant has derived any right, interest, benefit, title, status or entitlement under the judgment of the original court, as at the date of the judgment or thereafter; or
- (b) in the case of a judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage, only if such judgment is obtained in respect of a marriage registered under the Marriage



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*Enforcement of Foreign Judgments*  
*Act, No. 49 of 2024*

Registration Ordinance (Chapter 112), whether such marriage had been contracted prior to or after the appointed date or such judgment had been entered prior to or after the appointed date, and –

- (i) either party to the marriage was domiciled in such country as at the date of the judgment;
- (ii) either party to the marriage was habitually resident in such country for a period not less than one year immediately before the date of the judgment;
- (iii) either party to the marriage was a national of such country as at the date of the judgment;  
or
- (iv) both parties have submitted to the jurisdiction of such court.

(2) The provisions of this Act shall not apply to any tax, charge, fine or other penalty payable under a judgment of a court of a foreign country.

PART II

RECOGNITION, REGISTRATION AND ENFORCEMENT OF  
FOREIGN JUDGMENTS

**4.** An applicant may make an application in such form and manner accompanied by such information and documents as may be prescribed by rules made under this Act, to the registering court for recognition, registration and enforcement of a foreign judgment –

Application for  
recognition,  
registration and  
enforcement of a  
foreign  
judgment

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                 Enforcement of Foreign Judgments  
                 Act, No. 49 of 2024*

- (a) within ten years from the date of the final judgment along with a certificate issued by the relevant authority of the original court authenticating such judgment; and
- (b) by way of summary procedure in accordance with the provisions of Chapter XXIV of Part II of the Civil Procedure Code:

Provided however, the registering court may entertain an application made after ten years from the date of the final judgment if the applicant proves to the satisfaction of the court that the reasons for such delay are valid:

Provided further, the registering court shall not allow the parties to adduce any oral evidence, and shall conclude the proceedings on the petitions, statements of objections, affidavits and any other documents tendered by such parties within a period of six months from the date of application for the recognition, registration and enforcement of the foreign judgment.

Registration of a  
foreign  
judgment

**5.** (1) Upon receipt of an application for recognition, registration and enforcement of a foreign judgment under section 4, if the registering court is *prima facie* satisfied that, as at the date of the application –

- (a) such judgment is a judgment to which this Act applies;
- (b) the applicant has derived any right, interest, benefit, title, status or entitlement under the judgment given by the original court; and

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*Enforcement of Foreign Judgments*  
*Act, No. 49 of 2024*

- (c) the application has been made within the period specified in section 4,

the registering court shall proceed to register such judgment.

(2) Subject to the provisions of this Act, where a judgment is registered in terms of this Act, such registered judgment shall be deemed to have the same force and effect and the same control over the execution of such judgment as if it had been a judgment originally given in the registering court and entered on the date of registration.

(3) Where, as at the date of application for recognition and registration of a foreign judgment, a part of the relief awarded by the original court has been satisfied, the registering court may enforce the judgment only in respect of the unsatisfied part of the judgment.

6. (1) Where, upon registration of a foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage under section 5, it appears to the registering court that –

- (a) such foreign judgment was given *inter parte*, the registering court shall pronounce a declaration recognising such judgment in Sri Lanka; or
- (b) such foreign judgment was obtained *ex parte*, the registering court shall issue a notice to the other party to the marriage.

Recognition of a foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage in Sri Lanka

(2) For the purpose of paragraph (b) of subsection (1), the provisions of sections 59 to 71 of the Civil Procedure Code shall, *mutatis mutandis*, apply in relation to the service of notice.

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Enforcement of Foreign Judgments  
Act, No. 49 of 2024*

(3) Where there is no objection made under section 7 within the period specified in the notice issued under paragraph (b) of subsection (1) and upon the registering court being satisfied of the proper service of notice under paragraph (b) of subsection (1), the registering court may pronounce a declaration recognising such foreign judgment.

Objections against recognition of a foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage in Sri Lanka

**7.** A respondent to an application for the recognition and registration of a foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage, upon receipt of a notice issued under paragraph (b) of subsection (1) of section 6, may appear before the registering court and object to such application on the ground that-

- (a) the applicant has failed to satisfy any of the requirements set out in section 4;
- (b) there is fraud; or
- (c) there is a misrepresentation of facts relevant to the application and the affidavit made under section 4.

Refusal of objections and registration of a foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage

**8.** (1) Where the party who made an objection under section 7, fails to satisfy the registering court of the existence of any ground for the refusal of an application specified in section 7, the court may reject such objection by an order made in that behalf and shall pronounce a declaration recognising such foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage in respect of which such application is made.

(2) Such declaration shall have the effect of such foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage being recognised as if it had been issued by a competent court of Sri Lanka.

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*Enforcement of Foreign Judgments*  
*Act, No. 49 of 2024*

**9.** The court may grant and apportion costs for any application made under section 4, as the court deems fit.      Court may grant costs

**10.** Where the registering court pronounces a declaration in the case of a foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage, recognising such judgment in Sri Lanka, the Registrar of the registering court shall send a copy of such declaration certified by such Registrar as true copy, to the Registrar-General for the purposes of the Marriage Registration Ordinance (Chapter 112).      Registration of foreign judgments for the dissolution of marriages, &c. with the Registrar-General

**11.** (1) The registering court shall, at any time after registration of a foreign judgment, upon application in that behalf duly made by the judgment-debtor or any party whose rights, interests, benefits, title, status or entitlements have been adversely affected, or on its own motion, set aside the registration of the judgment, if the registering court is satisfied that –      Setting aside of a registered judgment

- (a) the judgment was registered in contravention of the provisions of subsection (1) of section 5;
- (b) notice or sufficient notice has not been given to the judgment-debtor in accordance with the law of the country of the original court to enable him to defend the proceedings;
- (c) the registered judgment was obtained by fraud;
- (d) the person by whom the application for recognition, registration and enforcement of the judgment was made, has not derived any right, interest, benefit, title, status or entitlement under the judgment of the original court; or

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                         Enforcement of Foreign Judgments  
                         Act, No. 49 of 2024*

- (e) the judgment has been reversed or set aside in appeal by the original court or a higher court of the country of the original court in terms of the law of the country of the original court.

(2) Notwithstanding anything to the contrary in any other provisions of this Act, the registering court may, if it considers appropriate, allow the parties to lead evidence in respect of an application to set aside the registration of a judgment under this Act.

(3) The provisions of section 389 of the Civil Procedure Code shall, *mutatis mutandis*, apply in respect of an application to set aside the registration of a judgment under this Act.

(4) The setting aside of the registration of a judgment under this section shall not prevent a fresh application for registration of a judgment being filed in compliance with the provisions of this Act.

Appeals

**12.** (1) No appeal shall lie against any order made by the registering court under the provisions of this Act in respect of an application made for the recognition, registration and enforcement of a foreign judgment, other than a judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage.

(2) Any party who is dissatisfied with any recognition awarded or any order made by the registering court under the provisions of this Act in respect of an application made for the recognition, registration and enforcement of a foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage, may appeal to the relevant High Court established by Article 154P of the Constitution, with leave first had and obtained from the relevant High Court.

*Reciprocal Recognition, Registration and* 11  
*Enforcement of Foreign Judgments*  
*Act, No. 49 of 2024*

**13.** Where both parties to a foreign judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage have made separate applications for the recognition and registration of the same judgment, the registering court shall consolidate both such applications and make an order in the same proceedings.

Making separate applications in respect of recognition and registration of a foreign judgment for the dissolution of a marriage, &c

PART III

GENERAL PROVISIONS

**14.** From and after the date on which an Order under subsection (1) of section 2 is published in the *Gazette*, any proceedings for the recognition, registration and enforcement of a judgment of a court of such foreign country shall not be entertained by any court in Sri Lanka, except in accordance with the provisions of this Act.

Foreign judgments which may be registered, not to be enforceable otherwise

**15.** Notwithstanding anything to the contrary contained in any other written law-

Jurisdiction in respect of applications for recognition, registration and enforcement of foreign judgments

- (a) in the case of an application for the recognition, registration and enforcement of a foreign judgment to which the provisions of this Act apply, other than a judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage, the District Court of Colombo or any other court as may be designated by the Minister by Order published in the *Gazette*; and
- (b) in the case of an application for the recognition and registration of a foreign judgment for the dissolution or annulment of a marriage or separation

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                         Enforcement of Foreign Judgments  
                         Act, No. 49 of 2024*

of the parties to a marriage to which the provisions of this Act apply, the District Court of Colombo or the District Court within the local limits of whose jurisdiction any party to such judgment resides,

shall have the jurisdiction, cognizance of, and full power, in the manner provided for by this Act and the rules made under section 20 to hear and determine such application.

Application of  
the Civil  
Procedure Code

**16.** Service of summons, notices or any other documents relating to recognition, registration and enforcement, as the case may be, of foreign judgments under this Act shall be made in the manner provided for in Chapters VIII and XXII of the Civil Procedure Code.

Language of the  
documents  
produced to the  
court

**17.** (1) Where the language of a judgment of a court of a foreign country specified in the Order made under section 2 is in a language other than the English language, such judgment shall be accompanied by a translation thereof in the language used by the registering court as the language of such court and made and signed by an interpreter of the Supreme Court, the Court of Appeal or the High Court, or by a sworn translator or an interpreter of any District Court, Family Court, Magistrate’s Court or Primary Court, or by a sworn translator.

(2) For the purposes of this section, “sworn translator” means a translator who has taken and subscribed the oath or made and subscribed the affirmation before a District Judge of a District Court of Sri Lanka.

Making false  
statement of  
facts in  
affidavits

**18.** Any person who willfully and dishonestly makes any false statement of facts in an affidavit made under this Act commits an offence and shall, on conviction by the Magistrate’s Court, be liable to a fine not less than two hundred thousand rupees or to imprisonment for a period not less than one year, or to both such fine and imprisonment.



*Reciprocal Recognition, Registration and* 13  
*Enforcement of Foreign Judgments*  
*Act, No. 49 of 2024*

**19.** In any matter or question of procedure not provided for in this Act, the procedure laid down in the Civil Procedure Code in respect of a like matter or question shall be followed by the court if such procedure is not inconsistent with the provisions of this Act. *Casus omissus*

**20.** (1) The Minister may, from time to time, make rules under this Act, in respect of all matters for which rules are authorised or required to be made for the purpose of giving effect to the provisions of this Act. Rules

(2) In particular and without prejudice to the generality of the provisions of subsection (1), rules may be made in respect of the following matters: -

- (a) filing of an application for the recognition, registration and enforcement of a foreign judgment, and setting aside of a registered judgment and forms to be used for such purposes;
- (b) statement of facts that the affidavits made under this Act shall contain;
- (c) prescribing the documents that shall accompany an application filed under this Act;
- (d) tendering of security when applying for the recognition, registration and enforcement of a foreign judgment;
- (e) the manner of serving the notice of registration and the content of such notice;
- (f) subject to the time limits expressly provided for in this Act, the time limits for performing any act required to be performed under this Act;
- (g) prescribing the method by which any interest payable under a foreign judgment under the law of the country of the original court is to be determined;
- (h) the matters relating to the award of costs; and

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                         Enforcement of Foreign Judgments  
                         Act, No. 49 of 2024*

- (i) any other matter which is required to be prescribed under this Act in order to achieve the objectives of this Act.

(3) Every rule made by the Minister under this section shall be published in the *Gazette* and shall come into operation from the date of such publication or on another date as may be specified in such rule.

Repeals

**21.** With effect from the appointed date-

- (a) the Enforcement of Foreign Judgments Ordinance (Chapter 93); and
- (b) the Reciprocal Enforcement of Judgments Ordinance (Chapter 94),

shall stand repealed.

Savings and  
transitional  
provisions

**22.** Notwithstanding the repeal of the Reciprocal Enforcement of Judgments Ordinance (Chapter 94) (in this section referred to as the “repealed Ordinance”)-

- (a) every Order made under section 6 of the repealed Ordinance and in force on the day immediately preceding the appointed date shall be valid and effectual in respect of the judgments of the courts declared in such Order, until an Order is made under section 2 of this Act extending the provisions of this Act to the judgments of the corresponding courts;
- (b) all applications filed and proceedings instituted under the repealed Ordinance and pending on the day immediately preceding the appointed date shall be proceeded with and concluded under the provisions of the repealed Ordinance; and

*Reciprocal Recognition, Registration and* 15  
*Enforcement of Foreign Judgments*  
*Act, No. 49 of 2024*

- (c) all judgments, decrees or orders entered into or made under the repealed Ordinance and remaining unsatisfied either wholly or partially on the day immediately preceding the appointed date shall be proceeded with and concluded under the provisions of the repealed Ordinance.

**23.** In this Act, unless the context otherwise requires – Interpretation

“applicant” for the purposes of this Act, includes a judgment-creditor or any person who has derived any right, interest, benefit, title, status or entitlement under the judgment of the original court, as at the date of the judgment or thereafter;

“Civil Procedure Code” means the Civil Procedure Code (Chapter 101);

“country of the original court” means the country in which the original court is situated;

“dissolution or annulment of a marriage or separation of the parties to a marriage” means any divorce, annulment of a marriage or judicial separation of the parties to a marriage obtained by means of proceedings in a competent court of law of a country specified by the Minister under section 2 of this Act;

“domiciled in a country” means domiciled in terms of the law of that country;

“judgment” means a judgment, decree or order given or made by a competent court of a foreign country which has been specified by the

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Act, No. 49 of 2024*

Minister by Order published in the *Gazette* in terms of section 2 of this Act, but does not include a judgment, decree or order given or made-

- (a) against any foreign country specified in an Order made under section 2;
- (b) in relation to property settlement in any matrimonial matter;
- (c) in proceedings relating to insolvency;
- (d) in proceedings relating to winding-up of companies;
- (e) in proceedings relating to unsoundness of mind;
- (f) in proceedings relating to guardianship, custody or maintenance of a minor, or curatorship of the estate of a minor; or
- (g) in proceedings relating to guardianship and management of the estate of a person of unsound mind;

“judgment-creditor” means the person in whose favour the judgment was given and includes any person who has derived any right, interest, benefit, title, status or entitlement under the judgment sought to be registered in Sri Lanka;

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*Act, No. 49 of 2024*

“judgment-debtor” means the person against whom the judgment was given and includes any person against whom the judgment is enforceable;

“Minister” means the Minister assigned the subject of Justice in terms of Article 44 or 45 of the Constitution;

“original court” in relation to any judgment, means the court by which the judgment was given or a higher court which has affirmed or entered a judgment in the exercise of appellate jurisdiction;

“prescribed” means prescribed by rules made under this Act; and

“registering court”-

(a) in relation to a judgment other than a judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage, means the District Court of Colombo or any other court as may be specified by the Minister by Order published in the *Gazette*; and

(b) in relation to a judgment for the dissolution or annulment of a marriage or separation of the parties to a marriage, means the District Court of Colombo or the District Court within the local limits of whose jurisdiction any party to such judgment resides.

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Enforcement of Foreign Judgments  
Act, No. 49 of 2024*

Sinhala text to  
prevail in case  
of inconsistency

**24.** In the event of any inconsistency between the Sinhala  
and Tamil texts of this Act, the Sinhala text shall prevail.

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English Acts of the Parliament can be purchased at the "PRAKASHANA PIYASA", DEPARTMENT OF  
GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**NATIONAL MINIMUM WAGE OF WORKERS  
(AMENDMENT) ACT, No. 48 OF 2024**

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**[Certified on 11th of September, 2024]**

*Printed on the Order of Government*

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Published as a Supplement to Part II of the **Gazette of the Democratic  
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**Price : Rs.6.00**

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*This Act can be downloaded from [www.documents.gov.lk](http://www.documents.gov.lk)*





*National Minimum Wage of Workers  
(Amendment) Act, No. 48 of 2024*

[Certified on 11th of September, 2024]

L. D.- O. 29/2024

AN ACT TO AMEND THE NATIONAL MINIMUM WAGE OF WORKERS  
ACT, NO. 3 OF 2016

BE it enacted by the Parliament of the Democratic Socialist  
Republic of Sri Lanka as follows :-

- 1.** This Act may be cited as the National Minimum Wage of Workers (Amendment) Act, No. 48 of 2024.

Short title
- 2.** Section 3 of the National Minimum Wage of Workers Act, No. 3 of 2016 is hereby amended in subsection (1) thereof, by the substitution for the words “twelve thousand five hundred rupees and the national minimum daily wage of a worker shall be five hundred rupees”, of the words “seventeen thousand five hundred rupees and the national minimum daily wage of a worker shall be seven hundred rupees”.

Amendment of section 3 of Act, No. 3 of 2016
- 3.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

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GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**CODE OF CRIMINAL PROCEDURE (AMENDMENT)  
ACT, No. 50 OF 2024**

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**[Certified on 13th of September, 2024]**

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*This Act can be downloaded from [www.documents.gov.lk](http://www.documents.gov.lk)*



*Code of Criminal Procedure (Amendment)*  
*Act, No. 50 of 2024*

[Certified on 13th of September, 2024]

L. D.- O 24/2023

AN ACT TO AMEND THE CODE OF CRIMINAL PROCEDURE  
ACT, No. 15 OF 1979

BE it enacted by the Parliament of the Democratic Socialist  
Republic of Sri Lanka as follows: -

**1.** This Act may be cited as the Code of Criminal Procedure (Amendment) Act, No. 50 of 2024. Short title

**2.** Section 183 of the Code of Criminal Procedure Act, No. 15 of 1979 (hereinafter referred to as the “principal enactment”) is hereby amended by the repeal of the marginal note to that section and the substitution therefor of the following: - Amendment of section 183 of Act, No. 15 of 1979

“Plea of guilty and sentencing without written plea agreement”.

**3.** The following new section is hereby inserted immediately after section 183 of the principal enactment and shall have effect as section 183A of the principal enactment: - Insertion of new section 183A in the principal enactment

“Plea of guilty and sentencing with written plea agreement”

**183A.** (1) A plea agreement may be entered into between the prosecutor and an accused who is charged in the Magistrate’s Court at any time before the sentence is passed, subject to the procedure specified in this section.

(2) Where the parties to a case intend to negotiate a plea agreement under this section, the court shall be informed of the same:

2 *Code of Criminal Procedure (Amendment)*  
*Act, No. 50 of 2024*

Provided that, the court shall not participate in the negotiations for such plea agreement.

(3) The prosecutor, the Attorney-at-Law for the accused, or the accused, may initiate the offer to enter into a plea agreement:

Provided that, the prosecutor shall maintain the sole discretion on whether or not to enter into a plea agreement with the accused.

(4) If the accused is charged with an offence under the Schedule to the Prevention of Crimes Ordinance (Chapter 22), the Magistrate shall cause the accused to be fingerprinted and call for a fingerprint report.

(5) Negotiations for a plea agreement shall be conducted between the prosecutor and the Attorney-at-Law representing the accused:

Provided that, where an accused who intends to enter into a plea agreement is not represented by an Attorney-at-Law, the court shall, assign an Attorney-at-Law to negotiate on behalf of the accused if the accused on being asked by the court, so requests.

(6) As part of the plea negotiation process, the prosecutor may meet with the Attorney-at-Law for the accused, to ascertain to the satisfaction of the prosecution, a complete description of the criminal conduct engaged in by the accused, and the details of criminal conduct engaged in by others, which the accused may provide as cooperation during the negotiation.

(7) During the plea negotiations, the prosecutor shall-

- (a) consider the nature and the circumstances relating to the case, the impact of the commission of the offence on the victim, the personal circumstances of the accused, the interests of the public, and the value of any information provided by the accused including any cooperation provided by the accused as part of the negotiation;
- (b) not use the information obtained from an accused during the course of plea negotiations against him during the prosecution of the case if the plea negotiations are ultimately unsuccessful; and
- (c) afford-
  - (i) the victim;
  - (ii) the Attorney-at-Law of the victim; or
  - (iii) the National Authority for the Protection of Victims of Crimes and Witnesses established under the Assistance to and Protection of Victims of Crime and Witnesses Act, No. 10 of 2023,

4            *Code of Criminal Procedure (Amendment)*  
                 *Act, No. 50 of 2024*

a reasonable opportunity to make a written representation to the prosecution regarding the impact of the crime, unless the circumstances prevent such representation.

(8) (a) A prosecutor and the accused or the Attorney-at-Law for the accused, may each make a specific recommendation to the court as to the sentence to be imposed and include the recommendation in writing in the final plea agreement.

(b) Notwithstanding the recommendation of the parties, the court shall retain the sole discretion in sentencing and discretion to indicate the sentence that may be imposed.

(c) Where the prosecutor recommends to the court the imposition of a sentence that is more severe than the recommendation included in the plea agreement, the accused may withdraw the plea of guilty and set aside the plea agreement.

(d) Where the accused recommends to the court the imposition of a sentence that is less severe than the recommendation in the plea agreement, the accused shall not be permitted to withdraw his plea of guilty on that ground alone.

(e) Where the accused recommends to the court the imposition of a sentence that is less severe than the recommendation in the plea agreement, the prosecutor may recommend to the court any other appropriate sentence.

(9) (a) The prosecutor shall present the court with the factual basis of the plea set out in the plea agreement between the prosecutor and the accused by presenting the court with the final plea agreement at the hearing, where the accused pleads guilty in accordance with the terms of the plea agreement. The factual basis will be included in writing as part of the completed plea agreement.

(b) The plea agreement submitted to the court shall be in the format specified in Form 23 in the Second Schedule.

(c) Where the accused is a child, the plea agreement shall be signed by the child's parent or guardian.

(d) A plea agreement shall be finalized when the accused signs the agreement.

(10) Upon being satisfied that the accused signed the plea agreement knowingly and voluntarily, the court may accept the plea agreement.

(11) Where the court accepts a plea agreement, the agreement shall become binding upon the parties and the court shall proceed to convict the accused accordingly.

(12) An appeal shall not lie from a conviction imposed after the court has accepted the plea agreement and convicted the accused under subsection (11).



6 *Code of Criminal Procedure (Amendment)*  
*Act, No. 50 of 2024*

(13) An appeal shall not lie from a sentence imposed by the court which falls within the range of punishment recommended by the parties in the plea agreement.

(14) Where the court rejects a plea agreement—

(a) the reasons for such rejection shall be recorded and the parties shall be informed thereof; and

(b) the plea agreement shall become null and void and the parties shall not be bound by such agreement.

(15) Upon rejection, or withdrawal, of a plea agreement, fresh plea negotiations in a trial relating to the same facts may be considered with prior permission of the court.

(16) Where the court has rejected a plea agreement under this section, no party shall appeal against, or apply for a review of, the order of the court rejecting the agreement.

(17) For the purposes of this section –

“child” means, a person under eighteen years of age;

“prosecutor” shall have the same meaning assigned to such expression in subsection (1) of section 191 of this Code and includes the Director-General of the Commission to Investigate Allegations of Bribery or Corruption established under the

Anti-Corruption Act, No. 9 of 2023, an officer of such Commission authorized by the Commission or any other Attorney-at-Law specially authorized by such Commission to conduct the prosecution at a trial of an offence held in the Magistrate's Court on a charge sheet.”.

4. Section 195A of the principal enactment is hereby amended in paragraph (b) of subsection (3) thereof, by the substitution for the words “to a lesser offence;”, of the words and figures “to a lesser offence or whether he intends to negotiate for a plea agreement under section 197A;”.

Amendment of section 195A of the principal enactment

5. Section 197 of the principal enactment is hereby amended by the repeal of the marginal note to that section and the substitution therefor of the following: -

Amendment of section 197 of the principal enactment

“Plea of guilty and sentencing without written plea agreement”.

6. The following new section is hereby inserted immediately after section 197 of the principal enactment and shall have effect as section 197A of that enactment: -

Insertion of new section 197A in the principal enactment

“Plea of guilty and sentencing with written plea agreement

**197A.** (1) A plea agreement may be entered into between the prosecutor and an accused who is indicted in the High Court, at any time before the sentence is passed, subject to the procedure specified in this section.

8 *Code of Criminal Procedure (Amendment)*  
*Act, No. 50 of 2024*

(2) Where the parties to a case intend to negotiate a plea agreement under this section, the court shall be informed of the same:

Provided that, the court shall not participate in the negotiations for such plea agreement.

(3) The prosecutor, the Attorney-at-Law for the accused, or the accused, may initiate the offer to enter into a plea agreement:

Provided that, the prosecutor shall maintain the sole discretion on whether or not to enter into a plea agreement with the accused person.

(4) If the accused is indicted in the High Court, the court shall cause the accused to be fingerprinted and call for a fingerprint report pursuant to the provisions of paragraph (e) of section 195.

(5) Negotiations for a plea agreement shall be conducted between the prosecutor and the Attorney-at-Law representing the accused:

Provided that, where an accused who intends to enter into a plea agreement is not represented by an Attorney-at-Law, the court shall, assign an Attorney-at-Law to negotiate on behalf of the accused if the accused on being asked, so requests.

(6) As part of the plea negotiation process, the prosecutor may meet with the Attorney-at-Law for the accused to ascertain to the satisfaction of the prosecution, a complete description of the criminal conduct engaged

in by the accused, and the details of criminal conduct engaged in by others, which the accused may provide as cooperation during the negotiation.

(7) During the plea negotiations with the Attorney-at-Law representing the accused, the prosecutor shall-

- (a) consider the nature and the circumstances relating to the case, the impact of the commission of the offence on the victim, the personal circumstances of the accused, and the interests of the public, and the value of any information provided by the accused, including any cooperation provided by the accused as part of the negotiation;
- (b) not use the information obtained from an accused during the course of plea negotiations against him during the prosecution of the case if the plea negotiations are ultimately unsuccessful; and
- (c) afford-
  - (i) the victim;
  - (ii) the victim's Attorney-at-Law;  
or
  - (iii) the National Authority for the Protection of Victims of

10      *Code of Criminal Procedure (Amendment)*  
   *Act, No. 50 of 2024*

Crimes and Witnesses  
established under the  
Assistance to and Protection  
of Victims of Crime and  
Witnesses Act, No. 10 of 2023,

a reasonable opportunity to make a  
written representation to the  
prosecution regarding the impact of  
the crime, unless the circumstances  
prevent such representation.

(8) (a) A prosecutor and the accused or the  
Attorney-at-Law for the accused, may each  
make a specific recommendation to the court  
as to the sentence to be imposed and include  
the recommendation in writing in the final plea  
agreement.

(b) Notwithstanding the recommendation of  
the parties, the court shall retain the sole  
discretion in sentencing and discretion to  
indicate the sentence that may be imposed.

(c) Where the prosecutor recommends to the  
court the imposition of a sentence that is more  
severe than the recommendation included in  
the plea agreement, the accused may withdraw  
the plea of guilty and set aside the plea  
agreement.

(d) Where an accused has withdrawn the plea  
under paragraph (c), the Judge shall proceed to  
trial as if a conviction has not been entered.

(e) Where the accused recommends to the court the imposition of a sentence that is less severe than the recommendation in the plea agreement the accused shall not be permitted to withdraw the plea of guilty on the ground alone.

(f) Where the accused person recommends to the court the imposition of a sentence that is less severe than the recommendation in the plea agreement, the prosecutor may recommend to the court any other appropriate sentence.

(9) (a) The prosecutor shall present the court with the factual basis of the plea set out in the plea agreement by presenting the court with the final plea agreement at the hearing, where the accused pleads guilty in accordance with the terms of the plea agreement. The factual basis shall be included in writing as part of the completed plea agreement.

(b) The plea agreement submitted to the court shall be in the format specified in Form 23 in the Second Schedule.

(c) Where the accused is a child, the plea agreement shall be signed by the child's parent or guardian.

(d) A plea agreement shall be finalized when the accused signs the agreement.

(10) Upon being satisfied that the accused signed the plea agreement knowingly and voluntarily, the court may accept the plea agreement.

12      *Code of Criminal Procedure (Amendment)*  
   *Act, No. 50 of 2024*

(11) Where the court accepts a plea agreement, the agreement shall become binding upon the parties and the court shall proceed to convict the accused accordingly.

(12) An appeal shall not lie from a conviction imposed after the court has accepted the plea agreement and convicted the accused under subsection (11).

(13) An appeal shall not lie from a sentence imposed by the court which falls within the range of punishment recommended by the parties in the plea agreement.

(14) Where the court rejects a plea agreement—

(a) the reasons for such rejection shall be recorded and the parties shall be informed thereof; and

(b) the plea agreement shall become null and void and the parties shall not be bound by such agreement.

(15) Upon rejection, or withdrawal, of a plea agreement, fresh plea negotiations in a trial relating to the same charge and facts may be considered.

(16) Where the court has rejected a plea agreement under this section, no party shall appeal against, or apply for a review of, the order of the court rejecting the agreement.

(17) For the purposes of this section –

“child” means, a person under eighteen years of age;

“prosecutor” shall have the same meaning assigned to such expression in section 193 of this Code and includes the Director-General of the Commission to Investigate Allegations of Bribery or Corruption established under the Anti-Corruption Act, No. 9 of 2023, an officer of such Commission authorized by the Commission or any other Attorney-at-Law specially authorized by such Commission to conduct the prosecution at a trial of an offence held in the High Court on an indictment signed by the Director-General of such Commission.”.

7. The Second Schedule to the principal enactment is hereby amended by the insertion immediately after Form 22 thereof, of the following new Form and shall have effect as Form 23 of that Schedule: -

Amendment of  
the Second  
Schedule to the  
principal  
enactment



14 *Code of Criminal Procedure (Amendment)*  
*Act, No. 50 of 2024*

“No. 23

(sections 183A and 197A)

DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

IN THE COURT \_\_\_\_\_

CASE NO. \_\_\_\_\_

NAME OF THE ACCUSED: \_\_\_\_\_

**PLEA AGREEMENT**

Pursuant to section 183A/197A of the Code of Criminal Procedure Act, No. 15 of 1979, the Accused, \_\_\_\_\_ agrees as follows:-

1. The Accused enters into this Plea Agreement and pleads guilty freely, voluntarily, without threat, force, intimidation, or coercion of any kind and without promise or benefit of any kind, other than as contained herein.
2. The Accused knowingly, voluntarily and truthfully admits the facts contained herein.
3. The Accused pleads guilty to the offence of _____ punishable under _____
4. The Accused understands every element of the offence to which the Accused is pleading guilty, and that the maximum penalty for that offense is _____

<p>5. Upon acceptance by the Court, and fulfillment by the Accused of all terms and conditions of the Plea Agreement, the Prosecution agrees that the Accused will face no other charges from the investigation which led to the present indictment.</p>
<p>6. The Accused has been advised by his/her legal representative and the Court, of his/her Constitutional rights, including the right to trial, the right to examine and cross-examine witnesses, and the Accused being well informed, has knowingly and voluntarily waived these rights, including the right to appeal, and agrees to enter a plea of guilty as set forth in this Plea Agreement.</p>
<p>7. The Accused understands that the sentence to be imposed upon conviction on his/her plea of guilty is within the sole discretion of the Court. At sentencing, the Prosecutor will recommend _____ At sentencing, the Accused will recommend _____.</p>
<p>8. The Accused understands and agrees no promises, agreements and conditions have been entered into regarding the charges herein other than those expressly set out in this Plea Agreement and none shall be entered into, or shall be binding upon the Accused and the Prosecution, unless expressly set forth herein, in writing.</p>
<p>I plead guilty to the offences covered by this Plea Agreement, and every element set out in the Plea Agreement, which has been explained to me in a language I understand. I do this knowingly, freely and voluntarily, and without any threat, force, intimidation, or coercion of any kind.</p> <p>Accused: _____</p> <p>Date: _____”.</p>

16 *Code of Criminal Procedure (Amendment)*  
*Act, No. 50 of 2024*

Sinhala text to  
prevail in case  
of inconsistency

**8.** In the event of any inconsistency between the Sinhala  
and the Tamil texts of this Act, the Sinhala text shall prevail.

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GOVERNMENT PRINTING, NO. 118, DR. DANISTER DE SILVA MAWATHA, COLOMBO 8.