

APPENDIX I.

- A. MAJOR LEGAL ENACTMENTS ADOPTED BY GOVERNMENT IN 1958.
- B. MAJOR ADMINISTRATIVE MEASURES ADOPTED BY THE MONETARY BOARD  
IN 1958.

**A—MAJOR LEGAL ENACTMENTS ADOPTED BY GOVERNMENT IN 1958****(i) DEVELOPMENT FINANCE CORPORATION OF CEYLON (AMENDMENT)**

ACT No. 8 OF 1958

This Act enables the Development Finance Corporation to assist in the establishment, expansion and modernization of any industrial or agricultural enterprise in Ceylon, in which the Government holds not more than 20 per cent of the capital.

**(ii) PORT (CARGO) CORPORATION ACT No. 13 of 1958**

Under Section 17 (1) of the Act the Board of Directors may with the consent of the Minister borrow temporarily by way of overdraft or otherwise such sums as may be required for meeting the obligations of the Corporation or discharging its duties under the Act. The aggregate of the amounts outstanding in respect of any temporary loans raised by the Board under this section shall not at any time exceed such sum as may be determined by the Minister in consultation with the Minister of Finance. The purposes for which the Board of Directors may borrow money otherwise than by way of temporary loans are as follows :—

- (a) the provision of working capital;
- (b) the provision of money for meeting any expenses incurred in connection with any permanent work or other thing the cost of which is properly chargeable to capital ;
- (c) the provision of money required for the payment of any compensation under the Act which is payable in cash by the Corporation;
- (d) the redemption of any stock issued or any loan raised by the Board ;
- (e) any other purposes for which capital moneys are properly applicable including the repayment of any money temporarily borrowed.

Under Section 19 (1) (a) of the Act the Board of Directors may create and issue stock for the provision of working capital, of money for meeting any expenses incurred in connection with any permanent work or other thing the cost of which is properly chargeable to capital, the redemption of any stock issued or any loans raised by the Board of Directors and for any the prurpose for which capital moneys are properly applicable.

Under Section 19 (1) (b) the Board of Directors shall create and issue such stock as is required for the purpose of satisfying any right to compensation under the Act which is to be satisfied by the issue of stock.

This stock is known as Port (Cargo) Corporation Stock and shall be issued, transferred, dealt with, redeemed and cancelled in accordance with such terms as may be determined by the Board of Directors with the approval of the Minister for Nationalised Services with the concurrence of the Minister of Finance.

Under Section 20 the Minister of Finance *may*, with the concurrence of the Minister of Nationalised Services, guarantee the repayment of the principal of, and the payment of interest on, any Port (Cargo) Corporation Stock created and issued under Section 19 (1) (a) and *shall* guarantee the repayment of the principal of, and the payment of the interest on, any Port (Cargo) Corporation Stock created and issued under Section 19 (1) (b). Any sums required for the fulfilment of such guarantees are made chargeable on the Consolidated Fund.

**(iii) EMPLOYEES' PROVIDENT FUND ACT No. 15 OF 1958**

This Act established a fund to be called the Employees' Provident Fund. Every employee in an employment which is declared to be covered employment under the Act is liable to pay to the Fund an amount equal to 4 per cent of his total earnings from that employment and every employer of employees in an employment declared to be covered under the Act is liable to pay contributions to the Fund of an amount equal to 6 per cent of the employee's total earnings from that employment. Under Section 5 of the Act the following powers and duties have been given to the Monetary Board of the Central Bank :—

**" 5. The Monetary Board—**

- (a) may appoint such officers and servants as may be required by the Board for exercising its powers, performing its duties and discharging its functions under this Act, fix the salaries and wages of such officers and servants and determine their conditions of service ;
- (b) shall receive all sums paid under this Act as contributions and surcharges and the income from the investment of moneys of the Fund and shall credit such sums and income to the Fund ;
- (c) shall have custody of the moneys of the Fund ;
- (d) shall pay to the persons certified by the Commissioner the benefits to which those persons are entitled under this Act ;

- (e) may invest such of the moneys of the Fund as are not immediately required for the purposes of this Act in such securities as the Board may consider fit and may sell such securities;
- (f) shall maintain a general account in respect of the Fund, and a separate account (in this Act referred to as an individual account) in respect of each member of the Fund;
- (g) shall cause the books of accounts relating to the Fund to be balanced as on the thirty-first day of December in each year;
- (h) shall cause to be prepared in respect of the Fund for each year a statement of receipts and payments, a statement of income and expenditure, a statement of assets and liabilities, and a statement of investments showing the face value, purchase price, and market value of each of the investments;
- (i) shall transmit to the Minister a copy of each of the statements prepared under the preceding paragraph (h) for each year within three months after the thirty-first day of December of that year;
- (j) shall notify each member of the Fund, within three months after the thirty-first day of December in each year, the amount lying to the credit of his individual account on that day;
- (k) shall deduct from the income from the investment of moneys of the Fund the expenses incurred by the Board and the Commissioner in carrying out the provisions of this Act; and
- (l) shall have such other powers and duties in connection with the Fund as may be conferred or imposed on such Board, by Order published in the Gazette, by the Minister with the concurrence of the Minister of Finance."

All expenditure including capital expenditure incurred by the Monetary Board and the Commissioner of Labour in carrying out the provisions of this Act during the period of twelve months commencing on the date of enactment of this Act and all capital expenditure incurred by the Monetary Board and the Commissioner of Labour in carrying out the provisions of this Act during a further period of two years is met by sums paid out of the consolidated fund as may be determined by resolution of the House of Representatives and such sums shall constitute a loan from the Government to the Monetary Board and may be repaid in accordance with such terms and conditions as may be determined by the Minister with the concurrence of the Minister of Finance. The relevant provisions regarding the interest payable on the funds are given in Section 14 which reads as follows:—

" 14 (1) Interest at such rate, not less than two and a half per centum per annum, as may from time to time be fixed by the Monetary Board with the concurrence of the Minister and the Minister of Finance shall be paid for each year, out of the income from the investment of the moneys of the Fund, on the amount standing to the credit of the individual account of each member of the Fund as at the thirty-first day of December in that year: Provided that—

- (a) no such interest shall be paid on the contributions paid under this Act by or in respect of an employee for the year in which the employee first became liable to pay contributions;
  - (b) the rate of such interest shall not exceed two and a half per centum per annum unless the assets of the Fund, valued at the market value, exceed the liabilities of the Fund by ten per centum;
  - (c) for the period commencing on January 1 of the calendar year in which any sum is paid as a benefit under this Act to or in respect of a member of the Fund and ending on the date of payment of that sum, interest at the rate of two and a half per centum per annum shall be paid on the amount to the credit of the individual account of that member at the date of termination of that period; and
  - (d) where any sum is credited under section 27 by the Monetary Board to the individual account of a member of the Fund on any date after the thirtieth day of June in any year, no such interest shall be paid on that sum for the period commencing on that date and ending on the thirty-first day of December of that year.
- (2) Where the income from the investment of the moneys of the Fund is inadequate to pay any part of the interest payable on contributions paid to the Fund under this Act, the amount of the deficit shall be met out of moneys provided by Parliament for the purpose.
- (3) Any sum provided by Parliament under sub-section (2) of this section shall constitute a loan from the Government to the Monetary Board and shall be repaid in accordance with such terms and conditions as may be determined by the Minister with the concurrence of the Minister of Finance."

Relevant provisions regarding the coverage of employment under the Act are given in Section 8 which reads as follows:—

" 8 (1) Any employment, including any employment in the service of a corporation whose capital or a part of whose capital is provided by the Government, may by regulation be declared to be a covered employment.

(2) Regulations may be made—

(a) to treat as a covered employment any employment outside Ceylon which is for the purposes of a trade or business carried on in Ceylon and which would be a covered employment if it were in Ceylon; and

(b) to treat as not being a covered employment or to disregard—

(i) employment under a person who employs less than a prescribed minimum number of employees;

(ii) employment which is usually performed by the day or by the job or by the journey; and

(iii) employment of a person in the service or for the purposes of the trade or business, or as a partner, of that person's spouse.

(3) Subject to the other provisions of this Act, every person over a prescribed age who is employed by any other person in any covered employment shall be an employee to whom this Act applies. For the purposes of this sub-section different ages may be prescribed for different covered employments.

(4) Any regulation declaring any employment to be a covered employment may provide that such persons only as earn less than a prescribed amount in that employment or as are of a prescribed class or description, and not other persons in that employment, shall be employees to whom this Act applies."

Under Section 23 a member of the Fund shall be paid the total amount lying to the credit of such member's individual account as soon as may be practicable —

(a) after such member, being a male, attains the age of fifty-five years or, being a female, attains the age of fifty years, or

(b) after such member, being a female, ceases to be employed in consequence of marriage, or

(c) after such member ceases to be employed by reason of a permanent and total incapacity for work and is certified by a registered medical practitioner to be unfit for work any longer for that reason, or

(d) before the date of such member's departure from Ceylon if such member declares in writing that such departure is with the intention of not returning to Ceylon.

Provided that, where a member of the Fund, being a male, continues to work in a covered employment after he has attained the age of fifty-five years, or, being a female, continues to work in a covered employment after she has attained the age of fifty years, such member shall not be entitled to the payment under the preceding provisions of this section until such member ceases to be in such employment.

In this section, "registered medical practitioner" means a medical practitioner registered under the Medical Ordinance.

Provision has been made for the Commissioner of Labour to approve of Provident Funds or contributory Pension Schemes which have been established before the appointed date for the benefit of employees in a covered employment and on such declaration no contribution shall with effect from the date fixed in relation to such fund or scheme be payable to the Funds by such employees and the employer of such employees.

(iv) THE CEYLON STATE MORTGAGE BANK (AMENDMENT) ACT No. 17 OF 1958

Under Section 54 of the Ceylon State Mortgage Bank Ordinance, as amended by Act No. 31 of 1956, no loan could have been granted by the Ceylon State Mortgage Bank unless the Board of Directors of the Bank was satisfied that the borrower had "valid" title to the property offered as security. The Ceylon State Mortgage Bank (Amendment) Act No. 17 of 1958 now enables the bank to grant a loan if the title of the borrower to the property offered as security is, in the opinion of the Board, satisfactory.

(v) THE CEYLON POST OFFICE SAVINGS BANK (AMENDMENT) ACT No. 47 OF 1958

This Act makes provision for the Trustees of the Ceylon Post Office Savings Bank to be a body corporate and for the property of such Trustees to be vested in the new corporation.

(vi) THE CEYLON STATE MORTGAGE BANK (AMENDMENT) ACT No. 48 OF 1958

This Act amends Sections 58 and 61 of the Ceylon State Mortgage Bank Ordinance. The effect of the amendment to Section 58 will be that non-compliance with an order of the Board of Directors of the Ceylon State Mortgage Bank under sub-section (1) of Section 58, will result

in the borrower being deemed to be in default in respect of the whole of the unpaid portion of the loan and the interest due thereon, and will enable the recovery of the amount in default, in accordance with the provisions of Part IV of Chapter V of the Ceylon State Mortgage Bank Ordinance.

Section 61 of the Ceylon State Mortgage Bank Ordinance (as amended by Ordinance No. 24 of 1939) empowered the Board of Directors to accept a payment in respect of a loan before the due date if three months notice of such intended payment was given. The new amendment to Section 61 empowers the Board to accept such payment if, in lieu of such notice, three months interest is paid, and also to waive the whole or any part of the required period of notice.

(vii) CIVIL PROCEDURE CODE (AMENDMENT) ACT No. 49 OF 1958

This Act will prevent a judgment creditor in the execution of a decree for the payment of money, to seize and to sell or realize in money the Special Living Allowance of a public officer or servant, or any house of the judgment debtor which is not mortgaged as security, for the payment of the whole or a part of the sum referred to in that decree; and which is a judgment debtor's actual residence at the time of the execution of that decree and has been such residence from the time of institution of the action for which that decree has been entered.

(viii) HOLIDAYS (AMENDMENT) ACT No. 50 OF 1958

Under this Act the Bank and Public Holidays in the First and Second Schedules to the Holidays Ordinance have been amended. The following are the Bank holidays according to the amendments :—

The Tamil Thai Pongal Day.

Independence Commemoration Day (February 4).

The Sinhala and Hindu New Year's Day.

May Day (May 1).

The Full Moon Day of the Sinhala month of Wesak.

The Birthday of the Holy Prophet Mohamed (On Whom Be Peace. Meelad-un-Nabi).

June 30.

Christmas Day.

December 31.

(Government are reconsidering the matter and propose to make further amendments).

**B.—MAJOR ADMINISTRATIVE MEASURES ADOPTED BY THE MONETARY BOARD  
IN 1958**

Circular No. 8

Central Bank of Ceylon,  
P.O. Box 590,  
Colombo 1,  
16th December, 1958.

**(i) CENTRAL BANK'S RATE OF INTEREST ON ADVANCES AGAINST  
COMMERCIAL AND PRODUCTION PAPER**

*(Reference : Section 86 of the Monetary Law Act)*

1. The rate of interest on loans by the Central Bank secured by the pledge of Commercial and Production Paper is one-half per cent above the Central Bank's rate for advances against Government securities.

2. The provisions of this circular may be withdrawn, added to or amended at any time.

S. D. AMERASINGHE,  
*Acting Chief Accountant.*

A. G. RANASINHA,  
*Governor.*

## (ii) CENTRAL BANK'S EXCHANGE RATES FOR U.S. DOLLARS

Date	Circular No.		Buying (per \$100)	Selling (per \$100)
1958				
6/1/58	1/93	Spot	Rs. 474.75	Rs. 475.00
		Forwards upto three months	Rs. 474.75	Cts. 50 per month premium against spot
16/1/58	1/94	Spot	Rs. 474.50	Rs. 474.75
		Forwards upto three months	Rs. 474.50	Cts. 50 per month premium against spot
23/1/58	1/95	Spot	Rs. 474.00	Rs. 474.25
		Forwards upto three months	Rs. 474.00	Cts. 50 per month premium against spot
28/2/58	1/96	Spot	Rs. 474.75	Rs. 475.00
		Forwards upto three months	Rs. 474.75	Cts. 50 per month premium against spot
6/3/58	1/97	Spot	Rs. 474.50	Rs. 474.75
		Forwards upto three months	Rs. 474.50	Cts. 50 per month premium against spot
10/3/58	1/98	Spot	Rs. 474.25	Rs. 474.50
		Forwards upto three months	Rs. 474.25	Cts. 50 per month premium against spot
18/3/58	1/99	Spot	Rs. 474.00	Rs. 474.25
		Forwards upto three months	Rs. 474.00	Cts. 50 per month premium against spot
26/6/58	1/100	Spot	Rs. 475.00	Rs. 475.25
		Forwards upto three months	Rs. 475.00	Cts. 50 per month premium against spot
1/7/58	1/101	Spot	Rs. 476.00	Rs. 476.25
		Forwards upto three months	Rs. 476.00	Cts. 50 per month premium against spot
7/7/58	1/102	Spot	Rs. 475.00	Rs. 475.25
		Forwards upto three months	Rs. 475.00	Cts. 50 per month premium against spot
21/7/58	1/103	Spot	Rs. 475.75	Rs. 476.00
		Forwards upto three months	Rs. 475.75	Cts. 50 per month premium against spot
5/8/58	1/104	Spot	Rs. 475.25	Rs. 475.50
		Forwards upto three months	Rs. 475.25	Cts. 50 per month premium against spot
11/8/58	1/105	Spot	Rs. 474.75	Rs. 475.00
		Forwards upto three months	Rs. 474.75	Cts. 50 per month premium against spot
1/9/58	1/106	Spot	Rs. 475.25	Rs. 475.50
		Forwards upto three months	Rs. 475.25	Cts. 50 per month premium against spot
19/9/58	1/107	Spot	Rs. 474.75	Rs. 475.00
		Forwards upto three months	Rs. 474.75	Cts. 50 per month premium against spot
24/9/58	1/108	Spot	Rs. 474.25	Rs. 474.50
		Forwards upto three months	Rs. 474.25	Cts. 50 per month premium against spot
3/10/58	1/109	Spot	Rs. 474.00	Rs. 474.25
		Forwards upto three months	Rs. 474.00	Cts. 50 per month premium against spot
27/10/58	1/110	Spot	Rs. 474.25	Rs. 474.50
		Forwards upto three months	Rs. 474.25	Cts. 50 per month premium against spot
3/11/58	1/111	Spot	Rs. 474.50	Rs. 474.75
		Forwards upto three months	Rs. 474.50	Cts. 50 per month premium against spot
11/11/58	1/112	Spot	Rs. 474.25	Rs. 474.50
		Forwards upto three months	Rs. 474.25	Cts. 50 per month premium against spot
24/11/58	1/113	Spot	Rs. 474.50	Rs. 474.75
		Forwards upto three months	Rs. 474.50	Cts. 50 per month premium against spot
8/12/58	1/114	Spot	Rs. 474.75	Rs. 475.00
		Forwards upto three months	Rs. 474.75	Cts. 50 per month premium against spot
12/12/58	1/115	Spot	Rs. 474.50	Rs. 474.75
		Forwards upto three months	Rs. 474.50	Cts. 50 per month premium against spot
19/12/58	1/116	Spot	Rs. 474.25	Rs. 474.50
		Forwards upto three months	Rs. 474.25	Cts. 50 per month premium against spot