

APPENDICES

APPENDIX I

EXTRACTS OF MAJOR LEGAL ENACTMENTS OF THE NATIONAL STATE
ASSEMBLY OF SRI LANKA IN 1973, WHICH RELATE TO THE FUNCTIONS
AND OPERATIONS OF THE CENTRAL BANK AND BANKING INSTITUTIONS.

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Finance (Amendment) Law: No. 7 of 1973.

A LAW TO AMEND THE FINANCE ACT, NO. 11 OF 1963.

(Certified on 28th February 1973)

1. This Law may be cited as the Finance (Amendment) Law, No. 7 of 1973.

2. Section 159 of the Finance Act, No. 11 of 1963 (hereinafter referred to as the "principal Act,"), as last amended by Act, No. 55 of 1971, is hereby further amended as follows:-

(1) by the insertion, immediately after the definition of "executor", of the following new definition:-

"foreign currency" has the same meaning as in the Exchange Control Act;'

(2) by the insertion, immediately after the definition of "Minister" of the following new definition:-

"non-resident" means not resident in Sir Lanka within the meaning of section 54 of the Inland Revenue Act, No. 4 of 1963;';

(3) by the insertion, immediately after the definition of "precedent partner", of the following new definition:-

"tourist" means any person who is not a citizen of Sir Lanka and who holds a valid passport which bears an endorsement granted to him by an authorized officer under the Immigrants and Emigrants Act; and

(4) by the substitution, for the definition of "turnover", of the following new definition:-

"turnover", in relation to any business means the total amount received or receivable from transactions entered into in respect of that business or for services performed in carrying on that business and includes:-

(a) in the case of a financier, money-lender or pawnbroker, the moneys given out by him as loans, the interest received or receivable by him on such loans and the sums received by him as fees or other charges in respect of such loans;

(b) in the case of an auctioneer and, subject to the provisions of paragraph (c), in the case of a broker or a commission agent-

- (i) in respect of lands sold by him or in the sale of which he is instrumental, the commissions or fees received or receivable by him for any transactions effected, or services rendered, by him in connection with such sale,
 - (ii) in respect of any goods sold by him or in the sale of which he is instrumental the total amount paid or payable by the purchaser of such goods;
- (c) in the case of any broker (other than a share broker or a produce broker), or commission agent, who—
- (i) on behalf of a non-resident person, sells or is instrumental in selling any goods of that non-resident person, or
 - (ii) acts on behalf of an exporter of any goods manufactured in Sir Lanka, or
 - (iii) on behalf of any other person carrying on a business in Sir Lanka, is instrumental in selling in Sir Lanka any goods of that other person, being goods of the total proceeds of the sale of which is included in the turnover of the business or that other person, whether or not such business is a “business” within the meaning of that expression in subsection (3) of section 120,

the commissions or fees received or receivable by such broker or commission agent in respect of any transactions effected or services rendered by him in so selling, acting, or in being instrumental in so selling, and in the case of a share broker or a produce broker, the commissions or fees received or receivable by such broker or commission agent in respect of any transactions effected or services rendered by him; and

- (d) in the case of a person carrying on any educational establishment or school, the total amount, excluding profits from investment of the moneys of the educational establishment or school, received or receivable by him in carrying on such educational establishment or school,

but, unless otherwise expressly stated in this Part of this Act, does not include any amount received or receivable by the sale of capital assets;’.

3. The amendments made to section 159 of the principal Act by this Law shall be deemed to have come into effect on December 28, 1971.

Paddy Producers' Savings Law, No. 9 of 1973

A LAW TO AUTHORIZE THE PADDY MARKETING BOARD OR AN AUTHORIZED PURCHASER THEREOF TO MAKE A CERTAIN PRESCRIBED DEDUCTION FROM THE PRICE PAYABLE TO A PRODUCER FOR THE PADDY SOLD TO SUCH BOARD OR AUTHORIZED PURCHASER AND TO CREDIT SUCH DEDUCTION TO AN INDIVIDUAL SAVINGS ACCOUNT IN THE NAME OF SUCH PRODUCER; TO PRESCRIBE THE CONDITIONS UNDER WHICH SUCH ACCOUNTS MAY BE HELD; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

(Certified on 13th March, 1973)

1. This Law may be cited as the Paddy Producers' Savings Law, No. 9 of 1973, and shall come into operation on such date as may be appointed by the Minister by Order published in the *Gazette*.

2. (1) Notwithstanding anything in the Paddy Marketing Board Act, No. 14 of 1971, or any other written law, it shall be lawful for the Paddy Marketing Board or any authorized purchaser thereof to deduct from the amount payable to a producer for the paddy sold to such Board or authorized purchaser an amount as shall be prescribed by the Minister in respect of the paddy so sold.

(2) The amount so deducted under subsection (1) from moneys payable to a producer shall be deposited by such Board or authorized purchaser in a prescribed bank in the area within which such producer resides to be credited to a savings account in the name of such producer.

(3) Interest at the prescribed rate shall be paid on such sums deposited in accordance with the provisions of subsection (2) and lying to the credit of the savings account of each producer.

3. For the purposes of giving effect to the provisions of section 2, any prescribed bank may appoint any Corporation or rural bank or any other banking institution as its agent.

4. A producer shall be paid the amount lying to the credit of his individual savings account as soon as may be practicable —

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

Provided, however, that where such producer, being a male, has attained the age of sixty years, or, being a female, has attained the age of fifty-five years on the date of commencement of this Law, the deductions made under section 2 shall be payable only after the expiry of one calendar year from the date of the first deposit made in respect of such producer ; or

- (b) after such producer ceases to be a producer within the meaning of this Law by reason of change of occupation ; or

- (c) after such producer ceases to be employed in that capacity by reason of a permanent and total incapacity for work and is certified by a registered medical practitioner to be unfit for that work any longer for that reason; or
- (d) before the date of such producer's departure from Sri Lanka if such producer declares in writing that such departure is with the intention of not returning to Sri Lanka.

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

5. Where a producer dies before he becomes entitled to the amount standing to his credit in his individual savings account or where he dies after becoming entitled thereto but before receiving such amount or where no nominee has been appointed by such producer to whom such amount should be paid in the event of the death of such producer or where one nominee has been appointed and that nominee is dead or where more than one nominee is appointed and any one of them is dead, then such amount shall be paid to the person who is legally entitled to such amount.

6. It shall be a condition of any producer's right to a refund of the amount lying to the credit of such producer's savings account that he or any person on his behalf makes an application thereto in the prescribed manner.

7. The Minister may from time to time prescribe the forms to be used for the purposes of this Law and any form so prescribed may from time to time be amended or varied.

8. Every assignment of, or charge on, any sum lying to the credit of the individual savings account of a producer and every agreement to assign or charge any such sum shall be void, and where that producer is adjudged insolvent by a competent court, any such sum shall not pass to any assignee acting on behalf of that producer's creditors notwithstanding the provisions of the Insolvency Ordinance.

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

(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' as soon as convenient after its publication in the *Gazette*, be brought before the National State Assembly for approval. Any 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.

10. In this Law, unless the context otherwise requires —

“authorized purchaser” means an authorized purchaser of paddy within the meaning of the Paddy Marketing Board Act, No. 14 of 1971;

“Paddy Marketing Board” means the Paddy Marketing Board established under the Paddy Marketing Board Act, No. 14 of 1971;

“prescribed” means prescribed by regulations made under this Law;

“producer” means a tenant cultivator, an owner cultivator or a landlord within the meaning of the Paddy Lands Act, No. 1 of 1958, but shall exclude any bodies of persons, corporate or unincorporate, except those prescribed by the Minister.

Finance and Ceylon State Mortgage Bank

(Amendment) Law, No. 16 of 1973

A LAW TO AMEND THE FINANCE ACT, NO. 11 OF 1963, AND THE CEYLON STATE MORTGAGE BANK ORDINANCE.

(Certified on 10th April, 1973)

1. This Law may be cited as the Finance and Ceylon State Mortgage Bank (Amendment) Law, No. 16 of 1973.

PART I

AMENDMENTS TO THE FINANCE ACT, NO. 11 OF 1963.

2. Section 71 of the Finance Act, No. 11 of 1963, hereinafter referred to as the “principal enactment”, is hereby amended as follows:—

(1) by the repeal of subsections (1) and (2) of that section and the substitution therefor, of the following new subsections:—

“(1) Subject to the provisions of subsection (2), the Bank is hereby authorized to acquire the whole or any part of any agricultural, residential or business premises, if the Bank is satisfied that those premises were, at any time before or after the appointed date but not earlier than the first day of January, 1952,—

(a) sold in execution of a mortgage decree entered by a court against the owner of such premises (hereafter in this Part of this Act referred to as the “original owner”); or

(b) transferred by the owner of those premises (hereafter in this Part of this Act referred to as the “original owner”) or his heirs, executors or administrators to any other person or the heirs, executors or administrators of any other person in satisfaction of a debt which was due from the original owner or his predecessor in title to that other person and which was secured by a mortgage of those premises subsisting immediately prior to the transfer; or

- (c) transferred by the owner of those premises (hereafter in this Part of this Act referred to as the "original owner") or his heirs, executors or administrators to any other person, at the request of a mortgagee of those premises, in satisfaction or part satisfaction of a debt which was due from the original owner or his predecessor in title to that mortgagee and which was secured by a mortgage of those premises subsisting immediately prior to the transfer; or
 - (d) transferred by the owner of such premises to any other person after receiving from such other person a sum of money as consideration for such transfer and upon the condition that, on the repayment by the transferor (hereafter in this Part of this Act referred to as the "original owner") of that sum with or without interest thereon within a specified period, such other person will re-transfer those premises to the original owner.
- (2) No premises shall be acquired under subsection (1) —
- (a) unless an application in that behalf has been made to the Bank by the original owner of such premises or, where such original owner is dead or is of unsound mind or otherwise incapable of acting, by the spouse or any descendant of such person, or if there is no surviving spouse or descendant of such person, by a parent, brother or sister of such person; or
 - (b) if an application in that behalf had earlier been made to the Ceylon State Mortgage Bank under Chapter VA of the Ceylon State Mortgage Bank Ordinance, as amended by Act No. 33 of 1963, and the Ceylon State Mortgage Bank had determined that such premises should not be acquired or if a vesting Order in respect of such premises had been revoked by a divesting Order under section 70D of that Ordinance, as so amended; or
 - (c) unless the Bank is satisfied that the average statutory income of the person making the application and of the other members of the family of which he is the head, computed under the provisions of the written law relating to the imposition of income tax, for the three years of assessment immediately preceding the date on which such application was made by him, does not exceed a sum of ten thousand rupees; or
 - (d) if the Bank is satisfied that the premises to which the application relates are reasonably required for occupation as a residence for the owner of those premises or any member of the family of such owner or for the purposes of any trade, business, profession, vocation or employment of such owner or any member of his family and that such owner or member of his family has no other premises which could be used for the purpose for which the premises to which the application relates are being used; or

- (e) unless, in the case of an application relating to any agricultural premises, the Bank is satisfied that the applicant is not the owner of any other agricultural premises, exceeding ten acres in extent

For the purposes of paragraph (d) of this subsection, "member of the family", when used in relation to any person, means the spouse of that person or any son or daughter of that person over eighteen years of age, or any parent, brother or sister dependent on that person; and

(2) by the insertion immediately after subsection (2) of that section, of the following new subsections:-

"(2A) Where the Bank entertains an application for the acquisition of any premises referred to in subsection (1), the Bank shall-

- (a) cause notice of the fact to be sent by registered post to the owner of the premises; and
- (b) cause a copy of such notice to be delivered or transmitted to the proper Registrar of Lands for registration, setting out the prescribed particulars relating to such premises and stating that such premises may be acquired under this Part of this Act.

Every notice under paragraph (b) shall be registered by the Registrar of Lands in the manner prescribed in the Registration of Documents Ordinance for the registration of an instrument affecting or relating to land and shall be deemed for such purposes to be an instrument affecting or relating to premises the prescribed particulars of which are set out in such notice:

Provided that if the Bank determines that such premises shall not be acquired for the purposes of this Part of this Act, the Bank shall forthwith cancel such notice and give written information of the cancellation to the Registrar of Lands who shall register such cancellation.

(2B) (a) Where the owner of any premises receives a notice under subsection (2A) relating to an application in respect of the premises, such owner shall not sell, gift, transfer, lease, mortgage or otherwise alienate the premises unless or until such application is dismissed by the Bank.

(b) Any sale, gift, transfer, lease mortgage or other alienation of any premises in contravention of the provisions of paragraph (a) of this subsection shall be null and void."

3. Section 72 of the principal enactment is hereby amended by the repeal of subsection (7) of that section, and the substitution therefor, of the following new subsections:-

"(7) Where any person in occupation or in possession of such premises or any person interested in such premises or his authorized agent is not present on the date and at the time and place specified in the notice given under subsection

(5), or if any such person is present but refuses to allow the authorized officer to take possession of such premises, the authorized officer shall, upon application made to the District Court having jurisdiction over the place where such premises are situated, and upon production of the vesting Order made under subsection (2), be entitled to obtain an order for delivery of possession of such premises.

(8) Every application made under subsection (7) shall be made, and shall be disposed of, by way of summary procedure in accordance with the provisions of Chapter XXIV of the Civil Procedure Code; and on all documents filed for the purposes of each such application and on all proceedings held thereupon, stamp duties and other charges shall be payable at the respective rates payable under any written law for the time being in force, on application for, and proceedings connected with or incidental to, the execution of a decree of a District Court for the delivery of possession of a property of the same value as the property to which such application relates.”.

4. The following new section is hereby inserted immediately after section 72, and shall have effect as section 72A, of the principal enactment:-

72A. (1) Notwithstanding that any premises have vested in the Bank by virtue of a vesting Order, the Minister may at any time by a subsequent Order published in the *Gazette* (hereafter in this section referred to as a “divesting Order”) revoke that vesting Order.

(2) The following provisions shall apply in any case where a vesting Order in respect of any premises is revoked by a divesting Order:-

- (a) such premises shall be deemed never to have vested in the Bank by virtue of that vesting Order and any question which might arise as to any right, title or interest in or over such premises shall be determined accordingly; and
- (b) all claims under this Part of this Act to the compensation payable in respect of such premises, and all proceedings taken under this Part of this Act in regard to such claims, before that vesting Order was revoked shall be deemed to be null and void.

(3) The preceding provisions of this section shall have effect notwithstanding anything in any other provisions of this Act or in any other written law.”.

5. Section 76 of the principal enactment is hereby repealed and the following new section is substituted therefor:-

76. The amount of compensation to be paid under this Part of this Act in respect of any premises vested in the Bank shall be either the actual amount for which such premises were purchased by, or transferred to, the owner thereof together with such interest thereon as may have been determined by the Compensation Tribunal, and an additional sum which is equal to the reasonable value of any subsequent additions and improvements made to such premises by any person who was interested in such premises before the publication of the vesting Order in regard to such premises or the market value of such premises, whichever is less.”.

6. Section 92 of the principal enactment is hereby repealed and the following new section is substituted therefor:-

92. (1) Where the Bank considers it necessary that an inspection, examination or survey should be made of any premises which the Bank is authorized under this Part of this Act to acquire, it shall be lawful for any person authorized in that behalf by the Chairman of the Board of Directors of the Bank, together with such persons, implements, materials, vehicles and animals as may be necessary, to enter upon and to take levels of such premises, and to do all such other acts as may be necessary for the purpose for such inspection, examination or survey:

Provided, however, that no person shall enter or do any act upon any premises in pursuance of the powers conferred on him by the preceding provisions of this section except after giving the owner or occupier of those premises, in the prescribed manner, not less than seven days' notice of his intention to enter those premises or to do such act thereon.

(2) Every person who--

(a) prevents, obstructs or resists; or

(b) directly or indirectly causes anyone to prevent, obstruct or resist,

any person authorized under subsection (1), from doing any act or thing which he is so authorized to do,

shall be guilty of an offence under this Part of this Act, and shall, on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a period not exceeding one year or a fine not exceeding one thousand rupees or to both such imprisonment and fine."

7. The following new section is hereby inserted immediately after section 96, and shall have effect as section 96A. of the principal enactment:-

96A. Every application made to the Ceylon State Mortgage Bank under section 70B(2) of the Ceylon State Mortgage Bank Ordinance, as amended by Act No. 33 of 1968, other than an application in consequence of which any premises have been let to any person under section 70Y of that Ordinance, shall be deemed to be an application made to the People's Bank under section 71(2) of this Act, and accordingly,-

(1) any determination made by the Ceylon State Mortgage Bank under section 70B(6) of that Ordinance in respect of any such application made to it, shall be deemed to be a determination made by the People's Bank under section 71(3) of this Act;

(2) any premises vested in the Ceylon State Mortgage Bank under section 70C(3) of that Ordinance in consequence of any such application made to it, shall be deemed to be vested in the People's Bank under section 72(3) of this Act;

(x)

(3) any award made under section 70X of that Ordinance by the Compensation Tribunal established under that Ordinance, in consequence of any such application made to the Ceylon State Mortgage Bank, shall be deemed to be an award made under section 90 of this Act by the Compensation Tribunal established under this Part of this Act, and

(4) all such further action, proceedings or steps as are required to be taken by the Ceylon State Mortgage Bank under the provisions of that Ordinance in respect of any such application made to that Bank as is by virtue of the provisions of this section deemed to be an application made to the People's Bank, shall be taken by the People's Bank under the corresponding provisions of this Act."

8. (1) Section 98A of the principal enactment (inserted therein by Act No. 33 of 1968) is hereby repealed.

(2) With effect from the date of commencement of this Law, applications under section 71(2) of the principal enactment may be made to, or entertained by, the People's Bank.

PART II

AMENDMENT TO THE CEYLON STATE MORTGAGE BANK ORDINANCE

9. The following new section is hereby inserted immediately after section 70EE, and shall have effect as section 70FF, of Chapter VA of the Ceylon State Mortgage Bank Ordinance:-

70FF. Notwithstanding anything to the contrary in any other provisions of this Chapter, no application under section 70B(2) of this Chapter shall be made to, or entertained by, the bank, on or after such date as may be fixed in that behalf by the Minister by Order published in the *Gazette*."

Gem (Amnesty) Law, No. 17 of 1973

A LAW TO INDEMNIFY, AGAINST LIABILITY TO PROSECUTIONS AND TO PAY INCOME TAX OR BUSINESS TURNOVER TAX, PERSONS WHO SELL TO THE STATE GEM CORPORATION, OR TO TOURISTS FOR PAYMENT MADE IN FOREIGN CURRENCY, OR WHO EXPORT, GEMS PURCHASED WITH MONEYS IN RESPECT OF WHICH SUCH PERSONS HAVE EVADED PAYMENT OF ANY SUCH TAX.

(Certified on 9th May, 1973)

1. This Law may be cited as the Gem (Amnesty) Law, No. 17 of 1973, and shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

2. Where any person who had purchased any gem out of his specified income or turnover --

- (a) within the relevant period, sells such gem to the State Gem Corporation, or, being the holder of a licence issued under the State Gem Corporation Act, No. 13 of 1971, authorizing him to be a dealer in gems, sells such gem to a tourist for payment made in foreign currency, or
- (b) within the relevant period, exports such gem through the State Gem Corporation or under the authority, and in accordance with the terms and conditions, of any Order made under section 16 of the State Gem Corporation Act, No. 13 of 1971.

then, such person shall not be liable --

- (i) to pay income tax or business turnover tax, or
- (ii) to a prosecution for any offence under the law relating to income tax or business turnover tax,

in respect of such amount out of the specified income or turnover as is equivalent to the aggregate of the sum which is proved to the satisfaction of the Commissioner of Inland Revenue to be the sum paid by such person for the purchase of such gem and a sum which the Commissioner of Inland Revenue considers reasonable for any expenses incurred in such sale or export :

Provided, however, that nothing in the preceding provisions of this section shall affect the liability of such person to pay income tax or business turnover tax or to a prosecution under the law relating to income tax or business turnover tax, if investigations for any alleged or suspected contravention of the provisions of any such law have commenced prior to the date of enactment of this Law or affect the maintenance of any suit or prosecution pending on the date on which this Law comes into operation before any court against such person for any alleged contravention of any such law.

3. In this Law --

"foreign currency" has the same meaning as in the Exchange Control Act;

"gem" has the same meaning as in the State Gem Corporation Act, No. 13 of 1971 ;

"relevant period" means the period of three months commencing on the date on which this Law comes into operation ;

"specified income or turnover" means the income of, or the turnover of a business carried on by, a person, being income or turnover in respect of which such person has not made a return of income or turnover or which he has failed to disclose in any such return ;

“State Gem Corporation” means the State Gem Corporation established under the State Gem Corporation Act, No. 13 of 1971; and

“tourist” means any person who is not a citizen of Sri Lanka and who holds a valid passport which bears an endorsement granted to him by an authorized officer under the Immigrants and Emigrants Act.

Pawnbrokers (Amendment) Law, No. 23 of 1973

A LAW TO AMEND THE PAWNBROKERS ORDINANCE

(Certified on 30 th June, 1973)

1. This Law may be cited as the Pawnbrokers (Amendment) Law, No. 23 of 1973.

2. Section 3 of the Pawnbrokers Ordinance, hereinafter referred to as the “principal enactment”, is hereby amended by the repeal of subsection (2) of that section, and by the substitution therefor, of the following new subsection:-

“ (2) Every licence issued under this section shall be in the Form A set out in the Second Schedule. ”

3. The following new section is hereby inserted immediately after section 3, and shall have effect as section 3A, of the principal enactment:-

3A. The holder of a licence issued under section 3 shall not transfer the business to which licence relates to any other person without the prior approval in writing of the Government Agent, and a transfer of such business without such prior approval shall be for all purposes null and void.’.

4. Section 4 of the principal enactment is hereby repealed and the following new section is substituted therefor:-

4. The Government Agent shall forward a copy of each licence issued under section 3 to the Superintendent of Police of the district within which the business to which such licence relates, is carried on’.

5. Section 5 of the principal enactment is hereby amended as follows:-

(a) by the renumbering of that section as subsection (1) of that section; and

(b) by the insertion, immediately after the renumbered subsection (1) of that section, of the following new subsection:-

“ (2) Every application for a licence shall be accompanied by a licence fee of one thousand rupees.”.

6. Section 8 of the principal enactment is hereby amended as follows:-

- (a) by the renumbering of that section as subsection (1) of that section; and
- (b) by the insertion, immediately after the renumbered subsection (1) of that section, of the following new subsection:-

“(2) Where the holder of a licence issued under section 3 makes an application for a renewal of such licence, the Government Agent may refuse to renew such licence, if he is of the opinion that such holder has, during any period preceding such application, and in relation to his business as a pawn broker, dealt in practices which are contrary to the spirit and purposes of the provisions of this Ordinance.”.

7. Section 16 of the principal enactment is hereby amended by the repeal of subsection (2) of that section, and by the substitution therefor, of the following new subsection:-

“(2) The particulars in the Third Schedule shall be printed legibly in Sinhala, Tamil and English on the back of the foil of every pawn ticket.”.

8. Section 17 of the principal enactment is hereby repealed and the following new section substituted therefor:-

17. No pawnbroker shall, in respect of a loan on a pledge, charge interest at a rate exceeding the rates specified in the Third Schedule:

Provided that where business turnover tax is payable in respect of a loan given on a pledge, nothing in the preceding provisions of this section shall be deemed to prohibit the pawnbrokers from recovering such tax from the pawner:

In this section “pledge” includes a pledge which has been pawned and which has not been redeemed before the appointed date.”.

9. Section 20 of the principal enactment is hereby amended by the repeal of subsection (4) of that section, and by the substitution therefor, of the following new subsection:-

“(4) subject to the provisions of subsections (1), (2) and (3), the pawnbroker shall, on payment of the loan, the interest due thereon, and the business turnover tax, if any, payable in respect of such loan, deliver the pledge to the pawner or holder, as the case may be, who produces the foil of the pawn ticket relating to that pledge; and the pawnbroker is hereby indemnified in respect of such delivery of the pledge;

Provided, however, that if the pawnbroker has reason to suspect that such holder has sold or otherwise illegally obtained possession of the pawn ticket, the pawnbroker may seize and detain the person and the ticket and deliver them as soon as may be to an officer of police or Grama Sevaka, who shall forthwith convey the person and the ticket before a court of competent jurisdiction to be dealt with according to law.”.

10. Section 24 of the principal enactment is hereby repealed and the following new section substituted therefor:-

24. (1) Where a pledge is destroyed or damaged by or in consequence of fire, the pawnbroker shall nevertheless be liable, on demand, within the period of redemption, to pay the value of the pledge, after deducting the amount of the loan and interest, and business turnover tax, if any, payable in respect of such loan.

(2) Every pawnbroker shall have his business insured to the full extent of the value of the articles pawned with him.”.

11. Section 25 of the principal enactment is hereby repealed and the following new section substituted therefor:-

25. Every pawnbroker shall, at the time of redemption of the pledge, give a receipt for the amount of loan and interest paid to him and the business turnover tax, if any, recovered by him and preserve a copy of such receipt with the pledge book. Such receipt shall be in the Form G set out in the Second Schedule and shall not be liable to stamp duty unless the interest and business turnover tax, if any, amounts to twenty rupees or more.”.

12. Section 26 of the principal enactment is hereby amended as follows:-

- (a) by the renumbering of that section as subsection (1) of that section; and
- (b) by the insertion, immediately after the renumbered subsection (1) of that section, of the following new subsection:-

“(2) Where a pledge is to be sold by public auction under the preceding provisions of this section, the pawnbroker with whom such pledge had been pawned, shall give at least fourteen days’ notice in writing to the Government Agent, of the date and time fixed for such sale, and the place at which such sale is to be held.”.

13. Section 28 of the principal enactment is hereby repealed and the following new section substituted therefor:-

28. In every case where a pledge is sold under this Ordinance for more than the amount of the loan and interest due on the date of the sale and the business turnover tax, any, payable in respect of such loan, the pawnbroker shall:-

- (a) forthwith give to the pawner of that pledge notice of the amount for which the pledge was sold and of the amount lying to the credit of the pawner after deducting the necessary costs and charges of the sale; and
- (b) on demand made within one year from the date of such sale pay to the holder of the pawn ticket relating to that pledge the amount lying to the credit of the pawner; and

- (c) if no such demand is made within the said period of one year, forthwith on the expiry of the said period, deposit the amount lying to the credit of the pawner in the nearest Kachcheri to the credit of pawner.”.

14. Section 30 of the principal enactment is hereby repealed and the following new section substituted therefor,—

30. Every notice under section 27 or section 28 shall be sent by registered post to the pawner at the address entered in the pledge book and the cost of registration shall be borne by the pawner and every notice under section 26 (2) shall be sent by registered post.”.

15. Section 37 of the principal enactment is hereby amended as follows:—

- (a) by the relettering of paragraph (k) of that section, as paragraph (l) of that section; and
(b) by the insertion, immediately after paragraph (j) of that section, of the following new paragraph:—

“(k) fails to have his business insured to the full extent of the value of all the articles pawned with him, or.”.

16. Section 41 of the principal enactment is hereby repealed and the following new section substituted therefor:—

41. Every person who is guilty of an offence under this Ordinance shall be liable to a fine not exceeding one thousand rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.”.

17. The Second Schedule to the principal enactment is hereby amended as follows:—

- (a) by the substitution for Form A set out in that Schedule of the following new Form:—

“FORM A

Licence

I,....., Government Agent for.....District, do hereby authorize and license....., of to carry on the business of a bawn broker at....., within the limits of..... in the..... District, under the provisions of the Pawnbrokers Ordinance.

This licence will expire on July 31, 19.....

.....
Government Agent.”; and

- (b) by the substitution for Form G set out in that Schedule of the following new Form:-

**"FORM G
Receipt**

Date:.....

Received on redemption of Pledge No.....

		Rs.	cts.
Amount of loan	
Profit or interest	
Business Turnover Tax	
Total

18. The Third Schedule to the principal enactment is hereby amended as follows:-

- (a) by the omission of the heading "Rates of Interest Chargeable by Pawnbroker"; and
- (b) by the substitution, for paragraphs A and B of that Schedule, of the following paragraphs:-

"A. Rate of Interest.

The rate of interest on every rupee or a fraction of a rupee lent shall be two cents for every month or part thereof.

B. Business Turnover Tax.

Where the business turnover tax under the Finance Act, No. 11 of 1963, is payable by the pawnbroker on a loan on a pledge, such tax may be recovered from the pawner."

19. The Fourth Schedule to the principal enactment is hereby amended by the substitution, for regulation 4 of that Schedule, of the following new regulation:-

"4. The auctioneer shall give notice of the sale by advertisements inserted in at least one Sinhala, Tamil and English newspaper and by notices displayed in places resorted to by the public in the area where the sale is to be held, and such advertisements and notices shall state:-

- (a) the pawnbroker's name and place of business; and
- (b) the months in which the pledges were pawned."

Agricultural Insurance Law, No. 27 of 1973

A LAW TO PROVIDE FOR THE ESTABLISHMENT OF A BOARD KNOWN AS THE AGRICULTURAL INSURANCE BOARD FOR UNDERTAKING THE BUSINESS OF AGRICULTURAL INSURANCE FOR SPECIFIED CROPS AND LIVESTOCK, TO REPEAL THE CROP INSURANCE ACT, NO. 13 OF 1961; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

(Certified on 11th July 1973)

1. This Law may be cited as the Agricultural Insurance Law, No. 27 of 1973, and shall come into operation on such date as may be appointed by the Minister by Order published in the *Gazette*.

PART I

ESTABLISHMENT OF THE AGRICULTURAL INSURANCE BOARD

2. (1) There shall be established a Board which shall be called the Agricultural Insurance Board (hereinafter referred to as "the Board") and which shall consist of the following members:—

- (a) the Chairman appointed by the Minister,
- (b) an officer of the Ministry in charge of the subject of Agriculture nominated by the Secretary to that Ministry,
- (c) the Director of Agriculture or an officer nominated by him,
- (d) the Commissioner of Co-operative Development or an officer nominated by him,
- (e) an officer of the People's Bank, Bank of Ceylon or any other Bank approved by the Government, such Bank being determined by the Minister and such officer being nominated by the Chairman of the Board of Directors of the Bank;
- (f) an officer of the Insurance Corporation of Ceylon nominated by its Chairman, and
- (g) an officer of the Paddy Marketing Board nominated by its Chairman.

(2) The Board 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.

3. (1) The Chairman of the Board shall, subject to the provisions of subsections (2) and (5), hold office for a period of three years, and be eligible for reappointment.

(2) The Chairman of the Board may be removed from office by the Minister by Order published in the *Gazette*, if the Minister considers that it is expedient to do so, and such removal shall not be called in question in any court.

(3) If the Chairman is for any reason temporarily unable to perform the duties of his office the Minister may appoint a fit person to act in his place.

(4) The Chairman of the Board 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 with the concurrence of the Minister in charge of the subject of Finance.

(5) The Chairman of the Board may resign his office by letter addressed to the Minister.

(6) The quorum for the meetings of the Board shall be three members of the Board, and subject as afore-said, the Board may regulate its own procedure

(7) The Board may act notwithstanding any vacancy amongst its members.

4. The general supervision, control, and administration of the affairs and the business of the Board shall be vested in the members of the Board.

5. (1) The seal of the Board shall be in the custody of the Board.

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

(3) The seal of the Board shall not be affixed to any instrument or document except in the presence of two members of the Board both of whom shall sign the instrument in token of their presence.

6. The Minister may give such general or special directions in writing as to the performance of the duties and the exercise of the Powers of the Board, and such Board shall give effect to such directions.

7. (1) The Board may appoint to the staff of the Board such officers and servants as may be necessary for the efficient discharge of its functions.

(2) At the request of the Board, any officer in the state service may, with the consent of that officer and the Secretary to the Ministry in charge of the subject of Public Administration, be temporarily appointed to the staff of the Board for such period as may be determined by the Board with like consent or be permanently appointed to such staff.

(3) Where any officer in the state service is temporarily appointed to the staff of the Board, subsection (2) of section 9 of the Motor Transport Act, No. 48 of 1957, shall, *mutatis mutandis*, apply to and in relation to him.

(4) Where any officer in the state service is permanently appointed to the staff of the Board, subsection (3) of section 9 of the Motor Transport Act, No. 48 of 1957, shall, *mutatis mutandis*, apply to and in relation to him.

(5) Where the Board employs any person who has entered into a contract with the Government for a specified period, any period of service to the Board by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

(6) All officers and servants of the Board shall be deemed to be state officers within the meaning and for the purposes of the Penal Code.

8. The Board shall be deemed to be a scheduled institution within the meaning of the Bribery Act and the provisions of that Act shall be construed accordingly.

9. The general objects of the Board shall be—

(a) to operate a comprehensive agricultural insurance scheme for the benefit of farmers in respect of the paddy crop, and of such other crops (hereinafter referred to as "specified crops"), as may be specified by the Minister by Notification published by the *Gazette* and in respect of livestock, which scheme will indemnify them against loss, provide a stabilizing effect on farm income, and promote agricultural production; and

(b) to undertake research necessary for the promotion and development of such agricultural insurance.

10. (1) The Board may exercise all or any of the following powers:—

(a) to acquire, hold, take on lease or hire, mortgage, sell or otherwise dispose of any movable or immovable property;

(b) to conduct, assist and encourage research into all aspects of the business of agricultural insurance;

(c) to enter into and perform, either directly or through any officer or agent authorized in that behalf, all such contracts as may be necessary for the performance of its duties and the exercise of its powers;

(d) to do anything for the purpose of advancing the skill of persons employed by the Board, and to provide facilities for training persons required to carry out the work of the Board;

(e) to authorize any member or officer of the Board or any state officer to perform such functions as the Board may consider necessary for the efficient transaction of its business;

(f) to make rules in relation to its officers and servants including their appointment, promotion, remuneration, disciplinary control, conduct and grant of leave to them;

(g) to enter into joint schemes with any Government Department, public corporation, Agricultural Productivity Committee, set up under the Agricultural Productivity Law, No. 2 of 1972, or any agent of such Committee, or any co-operative society set up under the Co-operative Societies Law, No. 5 of 1972, for carrying out the objects of the Board;

(h) to make rules in respect of the administration of the affairs of the Board;

(i) to do all other things which in the opinion of the Board are necessary to facilitate the proper carrying on of its business.

(2) The Minister may by Order published in the *Gazette* authorize the Board, subject to such conditions as may be specified in the Order, to carry on any undertaking or business or to do any act or thing not mentioned in the preceding provisions of this section, if he is satisfied that it is expedient so to do for any purpose connected with the efficient discharge and performance of the powers and duties conferred or imposed on the Board by such preceding provisions.

(3) Every Order made under subsection (2) shall as soon as convenient after publication in the *Gazette* be brought before the National State Assembly for approval. Any Order which is not so approved shall be deemed to be revoked as from the date of disapproval, but without prejudice to anything previously done thereunder. Every Order which is not so revoked shall be as valid and effectual as though it were herein enacted.

(4) Nothing in the preceding provisions of this section shall be construed as authorizing the disregard by the Board of any law for the time being in force.

PART II

COMPULSORY INSURANCE OF THE PADDY CROP

11. (1) Subject to the other provisions of this Law, every person having an interest in the paddy crop in any such area as may from time to time be determined for the purposes of this Part of this Law by the Minister by Order published in the *Gazette*, shall, with effect from such date as may be specified in such Order, be deemed to have entered into a contract of insurance with the Board against the loss of such crop arising from any such cause as may be specified in such Order (hereinafter referred to as a "specified cause").

(2) For the purposes of subsection (1), a person having an interest in the paddy crop shall mean an owner cultivator, a tenant cultivator, a landlord with tenant cultivators and a landlord with agricultural labourers, and any such person who is under sub-section (1) deemed to have entered into a contract of insurance is hereinafter referred to as an "insured person".

In this subsection, "owner cultivator" "tenant cultivator", "landlord" and agricultural labourers" have the same meanings respectively as in the Paddy Lands Act, No. 1 of 1958.

(3) The Board may, with the approval of the Minister by Order published in the *Gazette*, exclude from the provisions of this section, any area or extent of land where the risk of loss is considered excessive.

12. (1) The Board shall determine, and may from time to time alter, the amount of the premium to be paid by insured persons.

(2) Where two or more insured persons have shares in the paddy crop, the premium payable by each such insured person shall be determined by the Chairman of the Board, having regard to the share to which each such insured person is entitled.

(3) Such premium may be paid in money or in a quantity of paddy the value of which is equal to the amount of the premium, such value being computed according to the price for the time being of paddy under the Guaranteed Price Scheme, if that Scheme applies to such crop or, if that Scheme does not apply to such crop, according to such average of the market prices of such crop during the three years immediately preceding the year in which the premium is payable, as may be determined by the Board.

(4) Where the Guaranteed Price Scheme applies to the paddy crop, it shall be lawful for the Paddy Marketing Board or its authorized purchasers, at the request of the Agricultural Insurance Board, to deduct from the amount payable to the insured person as the price of any quantity of that crop purchased from him under that Scheme by the Paddy Marketing Board or its authorized purchasers, as the case may be, the amount of the premium payable to the Agricultural Insurance Board by the insured person under this Law.

(5) If an insured person who is liable to pay any sum as the whole or part of a premium fails to pay that sum within the time allowed by the Board, that sum shall be deemed to be in default and, together with an additional charge by way of interest at such rate as may be determined by the Minister by Notification published in the *Gazette*, shall be recovered on application made to the Rural Court having jurisdiction over the place where the extent of paddy land the premium in respect of which is in default is situated or where there is no Rural Court having jurisdiction over that place to a Magistrate's Court having jurisdiction over that place, by an officer authorized in that behalf by the Board in like manner as a fine imposed by such Court, and for the purposes of such recovery, the produce from the extent of land in respect of which such premium is payable shall be liable to seizure and sale.

(6) For the purpose of subsection (5), a certificate under the hand of the officer authorized in that behalf by the Board to the effect that the sum specified therein is due to the Board from the insured person shall be conclusive proof that such sum is due to the Board from such person.

13. Where, due to any specified cause, there is a loss of the paddy crop in an extent of land, the insured person shall, within seven days of the occurrence of such loss, prefer a written claim to indemnity in respect of such loss to the agent appointed by the Board within whose area of jurisdiction such extent of land is situated.

14. (1) The computation of the amount of indemnity payable in respect of the loss of the paddy crop shall be made according to such terms and conditions as shall be specified by the Minister by Order published in the *Gazette*.

(2) Any sum due to an approved credit agency which has granted loans to an insured person for the purpose of paying the premium may be deducted from the amount of the indemnity payable to such insured person.

15. (1) Where an officer authorized in that behalf by the Board rejects a claim to indemnity made by an insured person or where an insured person is dissatisfied with the amount of the indemnity awarded to him by any such officer,

such insured person may, within thirty days of the notification to him of the rejection or of the award of the indemnity, as the case may be, make a written appeal to the Board, stating the grounds of appeal.

(2) The decision of the Board on any appeal under this section shall be final and conclusive and shall not be called in question in any court.

16. (1) For the purposes of this Part of this Law, where the amount of indemnities payable in respect of any season does not exceed fifteen *per centum* of the total insurance liability, such amount shall be paid out of the Agricultural Insurance Fund.

Where such amount exceeds the aforesaid fifteen *per centum*, the part of such amount which is equal to such fifteen *per centum* shall be paid out of the Agricultural Insurance Fund and the balance of such amount shall be paid out of moneys provided for the purpose by the Government.

(2) In this section, "total insurance liability" means the amount obtained by multiplying the total insured acreage of land cultivated with paddy in any cultivation season by the maximum indemnity payable.

PART III

VOLUNTARY INSURANCE OF OTHER CROPS AND LIVESTOCK

17. The Minister may, from time to time, by Order published in the *Gazette*, determine the crop or crops and the species of livestock in respect of which voluntary insurance shall be provided by the Board.

18. The Board shall, subject to such terms and conditions as may be prescribed, issue to every person who applies to insure any crop or species of livestock under this Part of this Law an insurance policy containing—

- (a) the name of the insured ;
- (b) the subject-matter of insurance ;
- (c) the sum insured ;
- (d) the term of cover ;
- (e) the causes of loss insured ; and
- (f) such terms, exceptions, conditions and endorsements as may be determined by the Board.

19. For the purposes of this Part of this Law, the Board may, with the approval of the Minister, enter into reinsurance contracts with the Government or any local or foreign institution undertaking the business of reinsurance.

PART IV

FINANCE

20. (1) The initial capital of the Board shall be two million rupees.

(2) The initial capital of the Board may be increased from time to time by such amount as may be determined by the Minister with the approval of the Minister in charge of the subject of Finance.

(3) The amount of the initial capital of the Board and the amount of any increase of such capital referred to in subsection (2) shall be paid to the Board out of the Consolidated Fund in such instalments as the Minister in charge of the subject of Finance may, in consultation with the Minister, determine.

(4) As soon as possible after a payment out of the Consolidated Fund has been made towards the initial capital of the Board or towards its increase, the Minister in charge of the subject of Finance shall lay a statement of such payment before the National State Assembly.

21. (1) There shall be established an Agricultural Insurance Fund (hereinafter referred to as "the Fund").

(2) There shall be paid into the Fund—

- (a) all such sums as may be voted from time to time by the National State Assembly for the use of the Board;
- (b) all such moneys received by the Board in the exercise, discharge and performance of the powers, functions and duties under this Law;
- (c) all sums of money lying to the credit of the Insurance Fund established under the Crop Insurance Act, No. 13 of 1961.

(3) There shall be paid out of the Fund all sums of money required to defray any expenditure incurred by the Board in the exercise, discharge and performance of its powers, functions and duties under this Law, and all such sums of money as are required to be paid out of such Fund by or under this Law.

22. The remuneration and allowances payable to the members of the Board and all other expenses incurred in the administration of this Law shall be paid out of moneys provided by the National State Assembly for the purpose.

23. (1) The Board may, with the concurrence of both the Minister, and the Minister in charge of the subject of Finance, or in accordance with the terms of any general authority given with like concurrence, borrow, by way of overdraft or otherwise, or negotiate and obtain on credit terms, such sums as the Board may require for meeting the obligations of the Board or carrying out its object:

Provided that the aggregate of the amounts outstanding in respect of any loans raised by the Board under this subsection shall not at any time exceed such sum as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

(2) The Board may, with the consent of the Minister given with the concurrence of the Minister in charge of the subject of Finance, borrow money otherwise than by way of loan under subsection (1) for all or any of the following purposes:—

- (a) the requisition or acquisition of any movable or immovable property required for the business of the Board;
- (b) the repayment of any money borrowed under subsection (1).

24. Any funds of the Board which are not immediately required for the purpose of the business of the Board may be applied by the Board to any such purpose connected with agricultural development as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

25. The provision of Part II of the Finance Act, No. 38 of 1971 shall *mutatis mutandis* apply to the financial control and accounts of the Board.

PART V

GENERAL

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

(2) In particular and without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations in respect of all matters which are stated or required by this Law to be prescribed or for which regulations are required by this Law to be made.

(3) 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 later date as may be specified in the regulation.

(4) Every regulation made by the Minister shall as soon as convenient after its publication in the *Gazette* be brought before the National State Assembly for approval. Any 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. Notification of the date on which a regulation is deemed to be rescinded shall be published in the *Gazette*.

27. (1) No suit or prosecution shall lie—

- (a) against the Board for any act which in good faith is done or purported to be done by the Board under this Law; or
- (b) against any member, officer, servant or agent of the Board for any act which in good faith is done or purported to be done by him under this Law or on the direction of the Board.

(2) Any expense incurred by such person as is referred to in subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done by him under this Law or on the direction of the Board shall, if the court holds that the act was done in good faith, be paid out of the Fund.

28. (1) Every person who contravenes or fails to comply with any provisions of this Law or any regulation made thereunder or any order or direction lawfully given under this Law shall be guilty of an offence under this Law.

(2) Every person who commits an offence under this Law shall on conviction after summary trial before a Magistrate be liable to imprisonment of either description for a period not exceeding one year or to a fine not exceeding one thousand rupees or to both such fine and imprisonment.

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

(4) Where any offence under this Law is committed by a body corporate every person who at the time of the commission of the offence was a member, general manager, secretary, or other similar officer of the body corporate shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of that offence as he ought to have exercised in the circumstances having regard to the nature of the offence.

29. The provisions of this Law shall have effect notwithstanding anything contrary in any other written law, and accordingly in the event of any conflict or inconsistency between the provision of this Law and such other law, the provisions of this Law shall prevail.

30. (1) Where any immovable property of the Republic is required for the purpose of the business of the Board, such purpose shall be deemed to be a purpose for which a special grant or lease of such property may be made under section 6 of the Crown Lands Ordinance, and accordingly the provision of that Ordinance shall apply to a special grant or lease of such property to the Board.

(2) Where any movable property of the Republic is required for the purpose of the business of the Board, the Minister may by Order published in the *Gazette* transfer to and vest in the Board the possession and use of such movable property.

(3) Where any immovable property is required to be acquired for the purpose of the business of the Board, and the Minister, by Order published in the *Gazette*, approves of the proposed acquisition, that property shall be deemed to be required for a public purpose and may accordingly be acquired compulsorily under the Land Acquisition Act and be transferred to the Board.

(4) Any sum payable for the acquisition of any immovable property under the Land Acquisition Act for the Board shall be paid by the Board.

31. Where any person to whom any indemnity payable under this Law dies before receiving such indemnity, the Board shall pay such indemnity to the District Court or Court of Requests within whose local jurisdiction the land to which such indemnity relates is wholly or mainly situated, according as such indemnity exceeds or does not exceed seven hundred and fifty rupees, to be drawn by the persons entitled thereto.

32. The holder or holders of an insurance policy issued under this Law may assign such policy to an approved credit agency as security for a loan given by such agency to such holder or holders for any purpose connected with the raising of any specified crop on the extent of land to which such policy relates.

33. No sum due to any person as indemnity under this Law shall be seized or sequestered in execution of a decree or an order of any court, other than a decree or an order for the payment of a sum of money to the Republic or to any approved credit agency, notwithstanding to the contrary in any other written law.

34. Where any person is entitled to any indemnity payable under this Law and the Board is satisfied that any sum is due from that person to an approved credit agency in repayment of the whole or any part of a loan granted by such agency to that person or in payment of any interest on that loan, the Board may cause the sum due to such approved credit agency to be deducted from the amount of such indemnity and to be remitted to such agency.

35. Where the right, title and interest of an insured person is transferred to any other person, the transferee shall be entitled to all the rights of the transferor and shall, from the date of the transfer, be subject to all the outstanding obligations of the transferor.

36. The contract of insurance under this Law may be declared void, and the premium paid in respect of such contract may be forfeited, by the Board if the insured—

- (a) has concealed or misrepresented any material fact or committed any fraud relating to the insurance, or
- (b) fails to comply with any term or condition of such contract.

37. (1) The amount of any premium under a contract of insurance under this Law shall be paid in cash or in the specified crop to which that contract relates or partly in cash and partly in that specified crop.

(2) The Board may, as often as it is necessary, sell any part of the Fund which consists of specified crops, and shall credit to such Fund the proceeds of the sale after deducting therefrom the expenses incurred in the sale.

38. (1) The Board or any officer authorized in that behalf by the Board may enter and inspect any land on which there is any specified crop or any insured livestock and any documents relating thereto and it shall be the duty of every person who is in occupation of such land to permit and assist such inspection.

(2) Every person who fails to comply with the provisions of subsection (1) shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one hundred rupees.

39. The Board or any officer authorized in that behalf by the Board may direct an insured person or the holder of an insurance policy under this Law to take such measures in respect of the crop or livestock as may be necessary to prevent or minimize damage to such crop or livestock.

40. (1) The Crop Insurance Act, No. 13 of 1961, is hereby repealed.

(2) Notwithstanding the repeal of the Crop Insurance Act, No. 13 of 1961, all liabilities by way of premium payments by insured persons pending and payable under the provisions of that Act, shall, on the date of commencement of this Law, be deemed to be payable to the Board.

41. In this Law—

“approved credit agency” means any co-operative society or other institution for the time being declared by the Board by notification published in the *Gazette*, to be an approved credit agency for the purposes of this Law; and

“public corporation” means any corporation, board or other body which was or is established by or under any written law, other than the Companies Ordinance, with capital wholly or partly provided by the Government by way of grant, loan or other form.

**Loan Board (Amendment) Law,
No. 33 of 1973**

A LAW TO AMEND THE LOAN BOARD ORDINANCE.

(Certified on 17th August, 1973)

1. This Law may be cited as the Loan Board (Amendment) Law, No. 33 of 1973.

2. Section 14 of the Loan Board Ordinance, hereinafter referred to as the “principal enactment”, is hereby repealed and the following new section is substituted therefor:—

14: (1) The Commissioners of the Loan Board shall from time to time order and direct a book or books to be kept, in which shall be entered true and regular accounts in respect of each financial year, of all sums of money received, paid and expended by the Loan Board or due to the Loan Board, and of the several articles, matters and things in respect of which sums of money shall have been disbursed, in such form and manner as may be prescribed by the rules and regulations made in that behalf under section 9 of the Ordinance.

(2) The financial year of the Loan Board shall be the period of twelve months commencing on the first day of January of each year.”

3. Section 15 of the principal enactment is hereby repealed and the following new section is substituted therefor:—

15. All accounts of the Loan Board kept under section 14 or otherwise shall be subject to audit by the Auditor - General, who shall have the power at all times, by himself or by any person appointed by him in writing, to inspect all books and documents of accounts, and to call for the production of all mortgage bonds, contracts, vouchers and documents of whatever nature necessary for the verification of such accounts.”

4. Section 18 of the principal enactment is hereby repealed and the following new section is substituted therefor :--

18. Out of the aggregate interest due to the Loan Board at the end of each financial year, from the investments made under section 12, the Commissioners shall pay to the Government of the Republic of Sri Lanka, in respect of each such financial year, a sum equal to the amount for the time being approved by the Minister and the Minister in charge of the subject of Finance as the equivalent of, or the nearest approximation to, the aggregate expenses incurred or borne by that Government in connexion with the management of the affairs of the Board."

**Debt Conciliation (Amendment) Law,
No. 41 of 1973**

A LAW TO AMEND THE DEBT CONCILIATION ORDINANCE

(Certified on 3rd October, 1973)

1. This Law may be cited as the Debt Conciliation (Amendment) Law, No. 41 of 1973.

2. Section 54 of the Debt Conciliation Ordinance is hereby amended by the substitution, for subsection (1) of that section, of the following subsection:-

"(1) The Board may, of its own motion or on application made by any person interested, within three months from the making of an order by the Board dismissing an application, or granting a certificate, or approving a settlement, or before the payment of the compounded debt has been completed, review any order passed by it and pass such other order in reference thereto as it thinks fit."

**Exchange Control (Amendment) Law,
No. 39 of 1973**

A LAW TO AMEND THE EXCHANGE CONTROL ACT.

(Certified on 1st October, 1973)

1. This Law may be cited as the Exchange Control (Amendment) Law, No. 39 of 1973.

2. Section 5 of the Exchange Control Act, hereinafter referred to as the "principal Act", is hereby amended by the repeal of subsection (1) of that section and the substitution therefor, of the following new subsection :--

"(1) Except with the permission of the bank --

(a) no person, other than an authorized dealer, shall in Sri Lanka buy, borrow or accept any gold or foreign currency from, or sell or lend any gold or foreign currency to, or exchange any foreign currency with, any person other than an authorized dealer, and

- (b) no person resident in Sri Lanka, other than an authorized dealer, shall, outside Sri Lanka, buy or borrow any gold or foreign currency from, or sell or lend any gold or foreign currency to, any person other than an authorized dealer :

Provided that the preceding provisions of this subsection shall not prohibit the sale and purchase at any post office in Sri Lanka, in accordance with such directions as may be given by the bank in regard thereto, of any foreign currency in the form of postal orders or money orders."

3. Section 7 of the principal Act is hereby repealed and the following new section substituted there for :--

7. Except with the permission of the bank no person shall in Sri Lanka--
- (a) make any payment to or for the credit of a person resident outside Sri Lanka, or
- (b) make any payment to or for the credit of a person resident in Sri Lanka by order or on behalf of a person resident outside Sri Lanka, or
- (c) place or hold any sum to the credit of any person resident outside Sri Lanka :

Provided that where a person resident outside Sri Lanka has paid a sum in or towards the satisfaction of a debt due from him, paragraph (c) of this section shall not prohibit the acknowledgment or recording of the payment."

4. Section 22 of the principal Act is hereby amended as follows :--

(1) by the repeal of subsections (3) and (4) of that section, and the substitution therefor, of the following new subsections :--

"(3) The Minister may by Order published in the *Gazette* provide that no goods shall, except with the permission of the bank, be exported from Sri Lanka to any destination specified in the Order.

(4) In granting permission under subsection (3) in respect of the exportation of goods for the purposes of sale, the bank shall satisfy itself --

- (a) that payment for the goods has been made to a person resident in Sri Lanka by such means and in such manner as may be prescribed in relation to goods of that class or description exported to the destination or is to be so made not later than six months after the date of exportation ; and
- (b) that the amount of the payment that has been made or is to be made represents such a return for the goods as is in all the circumstances satisfactory in the national interest :

Provided that the bank may direct that, in cases to which the direction applies, paragraph (a) of this subsection shall have effect as if for the reference to six months there were substituted a reference to such longer or shorter period as may be specified in the direction, or as if the words "or is to be so made not later than six months after the date of exportation" were omitted.; and

(2) by the repeal of subsection (7) of that section.

5. The following new sections are hereby inserted immediately after section 29, and shall have effect as sections 29A, 29B and 29C, of the principal Act :--

29A. No person shall operate or maintain any tourist, airline or shipping service or carry on business as shipping agent or airline agent except in accordance with such conditions and requirements as may be imposed from time to time by the bank.

29B. No person in, or resident in, Sri Lanka shall perform any prescribed service for a person resident outside Sri Lanka except in accordance with such conditions and requirements as may be imposed by the bank by Notification published in the Gazette.

29C. Notwithstanding anything contained in any other provision of this Act, a company (other than a banking company) which is not incorporated under any law in force in Sri Lanka or which is controlled directly or indirectly by any person or persons resident outside Sri Lanka, or any branch or office of any such company in Sri Lanka, or a firm consisting wholly or in part of persons resident outside Sri Lanka, shall not accept appointment as --

- (a) agent in Sri Lanka of any person, company or firm in the trading or commercial transactions thereof; or
- (b) technical or management adviser in Sri Lanka of any person, company or firm,

except with the general or special permission of the bank; and where, such appointment is accepted without such permission, it shall be void.'

6. Section 30 of the principal Act is hereby repealed and the following new section substituted therefor :--

30. (1) Where there is served on any person resident in Sri Lanka a notice in writing that the bank wishes any such requirements as are hereinafter mentioned to be complied with by any foreign company, and that person can by doing or refraining from doing any act--

- (a) cause the foreign company to comply with any of the requirements' or
- (b) remove any obstacle to the foreign company complying with any of the requirements; or
- (c) render it in any respect more probable that the foreign company will comply with any of the requirements,

then, except so far as permission to the contrary may be given by the bank, that person shall do or, as the case may be, refrain from doing that act.

(2) The requirements with respect to which a notice under subsection (1) may be given are as follows, that is to say, the foreign company shall --

- (a) furnish to the bank such particulars relating to the assets and business of such company as may be mentioned in the notice ;
- (b) sell or procure the sale to an authorized dealer of any foreign exchange mentioned in the notice, being foreign exchange which it is entitled to sell or to which it is entitled to procure the sale ;
- (c) declare and pay such dividends as may be mentioned in the notice ;
- (d) realize any of its assets mentioned in the notice in such manner as may be so mentioned ;
- (e) refrain from selling, or transferring, or doing anything which affects its rights or powers in relation to, any such instrument or securities as may be mentioned in the notice.

(3) Except with the general or special permission of the bank, no person resident in Sri Lanka shall do any act whereby any business which is controlled by persons resident in Sri Lanka ceases to be so controlled.

(4) Notwithstanding anything contained in any other law, no transfer of any interest in any business in Sri Lanka made by a person resident outside Sri Lanka to any person also resident outside Sri Lanka shall be valid unless such transfer is confirmed by the bank on an application made to it for such confirmation by the transferor or the transferee. The preceding provisions of this subsection shall not apply to the transfer of any share in a company.

(5) Except with the general or special permission of the bank, no person resident in Sri Lanka shall transfer any interest in any business in Sri Lanka, or create any interest in any such business, to or in favour of a citizen of a foreign State.

(6) Except with the general or special permission of the bank, no person resident in Sri Lanka shall give a guarantee in respect of any debt or any other obligation or liability of a person resident outside Sri Lanka.

(7) Except with the general or special permission of the bank, no person resident in Sri Lanka shall lend any money either to any firm or company (other than a banking company) which is controlled directly or indirectly by persons resident outside Sri Lanka.

(8) In this section, "foreign company" means a company not incorporated under any law in force in Sri Lanka and in the case of which any of the following conditions is fulfilled :--

- (a) that the company is by any means controlled (directly or indirectly) by any person or persons resident in Sri Lanka ; or
- (b) that more than half of the sums which, on a liquidation thereof, would be receivable by holders of share or loan capital, would be receivable directly or indirectly by, or for the benefit of, persons resident in Sri Lanka ; or

- (c) that more than one-half of the assets which, on a liquidation thereof, would be available for distribution after the payment of creditors would be receivable directly or indirectly by, or for the benefit of, any person or persons resident in Sri Lanka ; or
- (d) that more than one-half --
 - (i) of the interest payable on its loans and capital, if any, or
 - (ii) of the dividends payable on its preference share capital, if any, or
 - (iii) of the dividends payable on its share capital, if any, not being preference share capital,

is receivable directly or indirectly by, or for the benefit of, any person or persons resident in Sri Lanka.

For the purposes of this subsection, where the identity of the person or persons by whom or for whose benefit, any sum, assets, interest or dividends are directly or indirectly receivable depends on the exercise by any person resident in Sri Lanka of a power vested in him in that behalf, the sum, assets, interest or dividends shall be deemed to be receivable directly or indirectly by, or for the benefit of, any person or persons resident in Sri Lanka.

7. Section 31 of the principal Act is hereby amended as follows :--

(1) by the repeal of subsection (1) of that section and the substitution therefor, of the following new subsection :--

"Where any person applies for the permission of the bank for the making of a payment, or the placing of any sum, to the credit of any person resident outside Sri Lanka, the bank may direct that the sum payable or to be credited shall be paid or credited to a blocked account only. Where such direction is given by the bank such person shall pay or credit such sum to a blocked account.';

(2) by the repeal of subsection (2) of that section and the substitution therefor, of the following new subsection :--

(2) Where the bank directs that a payment shall be made to a blocked account only,--

(a) the manner in which the payment may be made shall be either --

- (i) to the banker, with a direction that the payment shall be credited to a blocked account of the person to whose credit the payment is made, which direction may, in the case of a payment by means of a cheque or warrant, be made by marking the cheque or warrant with the words "blocked account of" (naming that person) or words to the same effect, or
- (ii) by a crossed cheque or warrant drawn in favour of that person, marked with the words "payable only to blocked account of payee" or words to the same effect ; and

(b) the sum collected shall be credited by the banker to a blocked account of that person.';

(3) by the repeal of subsection (3) of that section; and

(4) by the omission of the proviso to subsection (4) of that section.

8. Section 39 of the principal Act is hereby amended as follows :--

(1) by the repeal of subsection (1) of that section and the substitution therefor, of the following new subsection :--

"(1) Without prejudice to any other provisions of this Act, the bank may give to any person in, or resident in, Sri Lanka directions requiring him --

(a) to furnish, within such time and in such manner as may be specified in such directions, to the bank or to any person designated in such directions as a person authorized to require it any information in his possession which the bank or the person so authorized, as the case may be, may require for the purpose of securing compliance with, or detecting evasion of, the provisions of this Act, or where such person does not have the information in his possession, to obtain such information from any such person in Sri Lanka or abroad as may be specified in such directions and to furnish such information to the bank or to the person authorized; or

(b) to attend in person before any officer specified in such directions at such place, at such date and at such time as may be specified therein so that he may be examined on any such matter or matters as may be specified in such directions.";

(2) by the insertion, immediately after subsection (1) of that section, of the following new subsection :--

"(1A) Any person examined under the provisions of subsection (1) (b) Shall answer truly all questions put to him by the officer examining him."; and

(3) by the insertion, immediately after subsection (4) of that section, of the following new subsection :--

(5) In this section, 'bank' includes any officer of the Department of Inland Revenue or Department of Customs generally or specially authorized by the Monetary Board to exercise the powers conferred by this section.

9. Section 30A of the principal Act, inserted therein by Law No. 14 of 1972, is hereby amended, in paragraph (6) thereof, by the substitution for the words "vehicle or vessel", of the words "vehicle, aircraft or vessel".

10. Section 40 of the principal Act is hereby repealed and the following new section substituted therefor :--

40, (1) If the Head of the Department of Exchange Control or any such officer who is designated as an Assistant to him or any such state officer not below the rank of Assistant to the Head of a Department of State, as may be authorized by the Head of the Department of Exchange Control to act for the purposes of this section is satisfied --

- (a) that there is reasonable ground for suspecting that an offence under this Act has been or is being committed and that evidence of the commission of the offence is to be found at any premises or in any vessel, vehicle or aircraft or with any person; or
- (b) that any books, accounts or other documents which ought to have been produced under section 39 and have not been so produced are to be found at such premises or in any such vehicle, vessel or aircraft or with such person; or
- (c) that any foreign currency is to be found at any such premises or in any such vehicle, vessel or aircraft or with any such person,

the Head of the Department of Exchange Control or such officer may enter such premises or, as the case may be, any premise upon which the vehicle, vessel or aircraft or person may be, and search such premises, or, as the case may be, such vehicle, vessel, aircraft or person.

(2) The Head of the Department of Exchange Control or such officer, as the case may be, may seize any article which is found in the premises or in the vehicle, vessel or aircraft or with the person and which he has reasonable grounds for believing to be evidence of the commission of any offence under this Act, or any books, accounts or documents which he has reasonable grounds for believing ought to have been produced under section 39 :

Provided that no female shall, in pursuance of a search under this section, be searched except by a female.

(3) Where by virtue of this section a person has any power to enter into any premises, he may use such force as is reasonably necessary for the purpose of exercising that power.

Where by virtue of this section, an officer has power to search a person, such officer may examine such person, and such person shall answer truly all questions put to him by the officer examining him.

(4) No person shall obstruct any other person in the exercise of any powers conferred on that other person by virtue of the preceding provisions of this section.

(5) Any person empowered to do any act under this section may, if he thinks fit so to do, obtain the assistance of a peace officer for doing such act."

11, The following new section is hereby inserted immediately after section 49A, and shall have effect as section 49B, of the principal Act :--

49B. In any legal proceedings in respect of any offence under this Act, any of the following documents may be produced in court and given in evidence against any accused and shall be *prima facie* evidence of the matters, transactions or accounts therein contained:--

- (a) a certified copy of a banker's book or of any extract thereof obtained from the manager or principal accountant of the bank;
- (b) a certified copy of any book or other record required by law to be maintained by a company or a certified copy of any extract thereof, obtained from a director or secretary of the company; and
- (c) a certified copy of any document or of an extract thereof in the proper custody of an officer of a foreign Government, and obtained from such officer."

12. Section 50A of the principal Act is hereby amended by the insertion, immediately after sub-section (2) of that section, of the following new sub-section:-

"(3) For the purposes of this section any officer authorized by the Monetary Board under subsection (5) of section 39 shall be deemed to be an officer of the Department of Exchange Control of the Central Bank'.

13. Section 51 of the principal Act is hereby amended as follows:--

(1) by the repeal of subsection (1) thereof, and the substitution therefor, of the following sub-section:--

"(1) Any person in or resident in Sri Lanka who contravenes any provision of this Act or of any regulation made under this Act or fails to comply with any direction given or condition or requirement imposed under this Act shall be guilty of an offence, notwithstanding that the offence may, by virtue of Part IV of this Act, be also punishable under the provisions of the Customs Ordinance.;

(2) by the repeal of subsection (4) thereof, and the substitution therefor, of the following subsection:--

"(4) Any person who commits an offence under this Act shall--

- (a) on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a term not exceeding eighteen months, or to both such imprisonment and a fine; or
- (b) on conviction before a District Court, be liable to imprisonment of either description for a term not exceeding five years, or to both such imprisonment and a fine;

and where the offence is concerned with any gold currency, security, goods or other property, the court may, if it thinks fit so to do, order the gold, currency, security goods, or property to be forfeited; and any gold, currency, security, goods or property forfeited under this subsection shall be dealt with or disposed of in such manner as the Minister may direct."; and

(3) by the insertion, immediately after subsection (6) thereof, of the following new subsections :--

"(7) No prosecution in respect of any offence under this Act may be commenced except at the instance of, or with the sanction of, the bank :

Provided that this subsection shall not apply to a prosecution commenced by, or at the instance of the Attorney-General.

(8) All offences under this Act shall be cognizable offences for the purposes of the application of the provisions of the Criminal Procedure Code, notwithstanding anything contained in the First Schedule to that Code.

(9) Notwithstanding anything in any other law any offences under this Act committed outside Sri Lanka may be tried before a Magistrate having jurisdiction in the division of Colombo or before the District Court in Colombo."

14. Section 52 of the principal Act is hereby repealed and the following new section substituted therefor :--

52. (1) Before the commencement of a prosecution under this Act, the bank may in writing require any person who in its opinion has committed an offence under this Act to pay as a penalty a sum not exceeding two thousand rupees, within such period as may be specified in the notification of such requirement.

(2) Where the offence referred to in subsection (1) is concerned with any gold, currency, security, payment, goods or other property, and is not only a failure to give information or produce books, accounts or other documents with respect thereto when required so to do under section 39,--

(a) the bank may in writing require such person to pay as a penalty within such period as may be specified in the notification of such requirement an additional sum not exceeding three times the amount or value of the gold, currency, secpayment, goods or property ; and

(b) the bank may, if it thinks it fit so to do, in writing require gold, currency, security, goods or property to be delivered to the bank.

(3) Every requirement for delivery to the bank made under subsection (2)

(b) shall be communicated to the person in whose possession the gold, currency, security, goods or property required to be delivered is, and such person shall, upon receipt of such communication, deliver to the bank such gold, currency, security, goods or property.

(4) Any gold currency, goods or property delivered to the bank under this section shall be dealt with or disposed of in such manner as the Minister may direct.

(5) Any sum of money imposed as penalty under this section shall be disposed of in the following manner :--

(xxxvii)

- (a) one-half of that sum shall be forwarded to the Secretary to the Treasury to be credited to the Consolidated Fund; and
- (b) the other half of such sum may be divided among any informer or informers who, in the opinion of the bank, supplied such information as led to the detection of the offence referred to in subsection (1), or may be credited to the Consolidated Fund.

(6) No person against whom a requirement is made by the bank under this section shall except with the permission of the bank, sell, hypothecate, alienate, transfer or dispose of in any manner whatsoever any immovable property or securities belonging to him until such requirement is complied with or until the expiry of a period of two months from the end of the period specified in such order, whichever is earlier :

Provided, however, that where on the failure of such person to comply with such requirement, any action is instituted against such person in respect of the offence committed by him in any court before the expiry of the aforesaid period of two months, the court may direct that the prohibition on disposal of property referred to in the preceding provisions of this subsection shall continue for such further period as the court may determine.

(7) Any person against whom a requirement is made by the bank under this section may, within twenty-one days after the notification of the requirement to him, appeal therefrom in writing to the Minister. The appeal shall state the grounds of objection to the requirement.

(8) On an appeal made under subsection (7), the Minister may confirm, reduce, increase or annul the penalty imposed, or issue such directions in respect of the gold, currency, security, goods or property required to be delivered to the bank as he may think fit.

(9) Where any person pays to the bank the penalty imposed under this section, or pays the penalty and delivers to the bank the gold, currency, security, goods or property required to be delivered to the bank under this section, as the case may be, such person shall not be liable to a prosecution for the offence in respect of which the penalty was imposed or the requirement made;.

15. Section 54 of the principal Act is hereby amended as follows :--

(1) by the insertion, immediately after the definition of "bank", of the following new definitions :--

' "banker's book" includes any ledger, day book, cash book, account book and any other book used in the ordinary business of a bank ;

"banking company" has the same meaning as in the Companies Ordinance;;

(2) by the insertion, immediately after the definition of "Ceylon currency" of the following new definitions :--

‘ “certified copy” of any book, record, extract or document, means a copy of the book, record, extract or document, together with a certificate written at the foot of such copy that it is a true copy of such book, record, extract or document; and that such book, record, extract or document is still in proper custody, such certificate being dated and subscribed by the person in whose custody it is, with his name and official title;

“company” means a company registered under the enactments relating to companies from time to time in force in Sri Lanka or in any other country ;;

(3) by the substitution, for the definition of “securities”, of the following new definition ;--

‘ “securities” means shares, stock, bonds, capital in any partnership, notes (other than promissory notes), debentures, debenture stock, units under a unit trust scheme and shares in an oil royalty;’; and

(4) by the insertion, immediately after the definition of “specified foreign exchange”, of the following new definition :--

‘ “tourist, airline or shipping service” means service of any class or description prescribed to be a tourist, airline or shipping service for the purposes of this Act;’.

Finance Law, No. 47 of 1973

A LAW TO IMPOSE A LEVY ON PRIVATE CARS WITH DISTINCTIVE NUMBERS OF THE SRI SERIES, TO AMEND THE FINANCE ACT, NO. 11 OF 1963, AND TO PROVIDE FOR MATTERS INCIDENTAL THERETO OR CONNECTED THEREWITH.

(Certified on 11th December, 1973)

1. This Law may be cited as the Finance Law, No. 47 of 1973.

PART I

LEVY ON PRIVATE CARS WITH DISTINCTIVE NUMBERS OF THE SRI SERIES

2. Every person who, on November 10, 1972, was the registered owner of a private car to which was assigned a distinctive number of the Sri series, and every person registered as the first owner of a motor vehicle registered after that date as a private car, shall pay a levy (hereinafter referred to as “the levy”) as provided in section 3 (1) and in accordance with such regulations as may be made in that behalf under this Law:

Provided however that the preceding provisions of this section shall not apply to—

(1) any person who is exempted from payment of revenue licence fee under section 31 (4) of the Motor Traffic Act, and

(2) any person who, prior to November 10, 1972, applied for the cancellation of the registration of the private car, where on such application the registration of the car is cancelled by the Registrar of Motor Vehicles.

3. (1) The levy shall be paid to the appropriate licensing authority on or before December 31, 1973, or before the expiry of a period of three months from the date on which the vehicle was first registered as a private car, whichever is later:

Provided however that the Minister may, if it appears to him to be necessary or expedient, by notification published in the Gazette, appoint a later date in place of the aforesaid date, December 31, 1973.

(2) Every person who fails to pay the levy on or before the date on which such levy falls due for payment in terms of subsection (1)—

(a) shall be liable to pay to the appropriate licensing authority a penalty amounting to twenty *per centum* of the amount of the levy; and

(b) shall be guilty of an offence under this Law

(3) Every person guilty of an offence under this Law shall on conviction after summary trial before a Magistrate be liable to a fine not exceeding one thousand rupees.

(4) Where the amount of the levy, and the penalty referred to in subsection (2), have not been paid to the appropriate licensing authority before the expiry of a period of three months from the date on which such levy falls due for payment in terms of subsection (1), the appropriate licensing authority shall issue a certificate, containing particulars of such levy and penalty and the name and last known place of residence of the person who has failed to pay such levy and penalty, to a Magistrate having jurisdiction in the division in which such place is situated. The Magistrate shall order such levy and penalty to be recovered as though it were a fine imposed by a sentence of the Magistrate on such person.

4. No person shall be registered under the Motor Traffic Act as the new owner of a motor vehicle in respect of which the levy is payable under section 2, unless such levy and penalty for failure to pay such levy, if any, is duly paid.

5. (1) The Minister may make regulations for the purpose of carrying out the provisions and giving effect to the principles of this Law.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations for or in respect of the rates in accordance with which the levy shall be paid.

(3) No regulation made under this Law shall have effect until it is approved by the National State Assembly and notification of such approval is published in the Gazette.

6. In this Part--

"distinctive number", "licensing authority" and "private car" shall have the same meanings respectively as in the Motor Traffic Act;

"Minister" means the Minister to whom the subject or function of registration and licensing of motor vehicles is assigned by the Prime Minister;

"registered" means registered under the Motor Traffic Act.

PART II

AMENDMENT TO THE FINANCE ACT, NO. 11 OF 1963

7. The following new section is hereby inserted immediately after section 152, and shall have effect as section 152A, of Part XII of the Finance Act, No. 11 of 1963:-

152A. (1) Subject to the provisions of subsection (3), where any article is exported from Sri Lanka by any person (hereafter in this section referred to as the "exporter") and the Commissioner is satisfied-

- (a) that such article was produced or manufactured in Sri Lanka and was purchased by the exporter from the manufacturer or producer of such article;
- (b) that the price paid by the exporter for the purchase of such article forms part of the turnover of the business of that manufacturer or producer; and
- (c) that business turnover tax has in fact been paid by that manufacturer or producer in respect of the turnover of his business,

such amount out of the business turnover tax paid in respect of the turnover of that business by the manufacturer or producer of that article as is attributable to the purchase price paid for that article by the exporter, shall be paid to the exporter by the Commissioner.

(2) The provisions of subsection (1) shall apply in relation to any container, receptacle or wrapper in which an article referred to in that subsection is exported in the same manner as if all references to "article" in those provisions were references to such container, receptacle or wrapper, as the case may be.

(3) No payment under subsection (1) shall be made by the Commissioner in respect of any article or any article and container, receptacle or wrapper in which such article is exported, unless a claim in writing for such payment is made by the exporter of such article not earlier than three months, and not later than nine months, after the export of such article.

**Ceiling on Income and Compulsory Savings
(Amendment) Law, No 52 of 1973**

(Certified on 11th December, 1973)

1. This Law may be cited as the Ceiling on Income and Compulsory Savings (Amendment) Law, No. 52 of 1973.

2. Section 9 of the Ceiling on Income and Compulsory Savings Law, No. 15 of 1972, is hereby amended in subsection (6) thereof, by the substitution, for the words ‘ ‘contributable income’ ’, of the words and figures ‘ ‘contributable income ’ ’:

Provided, however, that no person shall be entitled to make any deduction under paragraph (a) for the year of assessment commencing on April 1, 1974, in respect of an approved investment within the meaning of section 16CC of the principal Act made by that person at any time during the period commencing on April 1, 1973, and ending on June 30, 1973, if in respect of that investment that person had deducted for the year of assessment commencing on April 1, 1973, any such allowance as he is entitled to deduct under any Order made under paragraph (b)