

## **PART IV**

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### **MAJOR LEGISLATIVE ENACTMENTS OF 1999 RELATING TO THE FUNCTIONS AND OPERATIONS OF THE CENTRAL BANK AND BANKING INSTITUTIONS IN SRI LANKA**

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# BRETTON WOODS AGREEMENTS (AMENDMENT) ACT, NO. 6 OF 1999

[Certified on 26th March, 1999]

## AN ACT TO AMEND THE BRETTON WOODS AGREEMENTS ACT

WHEREAS Sri Lanka is a member of the International Monetary Fund and the text of the original Articles of Agreement of that Fund was laid before Parliament prior to the passing of the Bretton Woods Agreements Act which enabled Sri Lanka to become a member of such Fund :

AND WHEREAS the Board of Governors of that Fund has, at its annual meeting held in Hong Kong in September 1997, approved an amendment to such original Articles of Agreement to provide for a special one time allocation of Special Drawing Rights to existing and new members of such Fund (such amendment is hereinafter in this preamble referred to as the "proposed amendment") :

AND WHEREAS the text of the proposed amendment was laid before Parliament on August 4, 1998 :

AND WHEREAS the Government has decided to accept the proposed amendment so as to enable Sri Lanka to benefit from such special one time allocation of Special Drawing Rights :

AND WHEREAS it is necessary to amend the Bretton Woods Agreements Act to give full force and effect to this decision :

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

1. This Act may be cited as the Bretton Woods Agreements (Amendment) Act, No. 6 of 1999 and shall come into operation on such date as the Minister, by Order published in the *Gazette*, certifies as the date on which the Fourth Amendment of the Articles of Agreement to the International Monetary Fund enters into force in respect of Sri Lanka.
2. Section 10 of the Bretton Woods Agreements Act is hereby amended by the repeal of the definition of "Fund Agreement", and the substitution, of the following definition therefor :—

"Fund Agreement " means the Articles of Agreement of the International Monetary Fund as originally adopted and as subsequently amended —

- (a) in order to establish a facility based on Special Drawing Rights (the text of which amendment was laid before the House of Representatives on November 23, 1968) ;
  - (b) in order to establish a new International Monetary System (which amendment was, incorporated in the text of the Articles of Agreement of the Fund laid before the National State Assembly on April 4, 1978) ;
  - (c) in order to provide for the suspension of voting and related rights of a member country which does not fulfill it's obligations under such articles (the text of which amendment was laid before Parliament on October 11, 1991) ;
  - (d) in order to provide for a special one time allocation of Special Drawing Rights to existing and new members (the text of which amendment was laid before Parliament on August 4, 1998)."
3. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

## TOBACCO TAX ACT, NO. 8 OF 1999

[Certified on 9th April, 1999]

AN ACT TO IMPOSE A TAX ON CIGARETTES, CIGARS, BEEDIES, CIGARETTE SUBSTITUTES AND PIPE TOBACCO, MANUFACTURED IN SRI LANKA ; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

1. This Act may be cited as the Tobacco Tax Act, No. 8 of 1999.
2. (1) There shall be charged, levied and paid on every cigarette, cigar, beedi, cigarette substitute and every kilogramme of pipe tobacco manufactured in Sri Lanka, a tax (hereinafter referred to as the "tobacco tax") at such respective rates as may be fixed by the Minister by Order published in the *Gazette*.  
(2) The rate or rates of tobacco tax levied in respect of any article referred to in subsection (1) may be determined by reference to the class or description of that article and accordingly, different rates of tobacco tax may be determined in respect of different classes or descriptions of that article.  
(3) The rate of the tobacco tax charged respectively on cigarettes, cigars, beedies, cigarette substitutes and pipe tobacco or any class or description thereof may from time to time be varied by the Minister in charge of the subject of Finance by Order published in the *Gazette*.  
(4) Every Order under subsection (1) or subsection (3) shall come into force on the date of its publication in the *Gazette* or on such later date as may be specified in the Order, and shall be brought before Parliament for approval as soon as may be convenient.  
(5) Any Order under subsection (1) or subsection (3) which Parliament refuses to approve shall with effect from the date of such refusal, be deemed to be revoked but without prejudice to the validity of anything done thereunder. Notification of the date on which any such Order is deemed to be revoked shall be published in the *Gazette*.  
(6) For the purposes of this Act, the cigarettes, cigars, beedies, cigarette substitutes and pipe tobacco, removed from any factory shall be presumed to be cigarettes, cigars, beedies, cigarette substitutes and pipe tobacco, manufactured at such factory.
3. (1) The tobacco tax shall be payable by each person who carries on business as a manufacturer of cigarettes or cigars, beedies, cigarette substitutes or pipe tobacco. The amount of the tax shall be computed by reference to the number of cigarettes, cigars, beedies, cigarette substitutes and kilograms of pipe tobacco manufactured at, and removed from, the factory at which such manufacture is carried on ; and the amount of the tax payable upon the total quantity of cigarettes, cigars, beedies, cigarette substitutes or kilograms of pipe tobacco so removed from a factory in any week shall be paid as provided in this Act not later than the end of the next succeeding week.  
(2) Subject to the provisions of this Act, a person shall not cause or permit any cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco to be removed from any factory at which cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco are or is manufactured unless and until the tobacco tax payable thereon has been duly paid in accordance with the provisions of this Act.  
(3) Where any quantity of tobacco leaf is delivered at a factory or any quantity of cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco is to be removed from a factory, it shall be the duty of the person in charge of the factory, within a period of forty eight hours after the time of such delivery or forty eight hours prior to the time of such removal, as the case may be, to furnish to the Commissioner General of Excise or to any officer designated by the Commissioner General of Excise for the purpose, a declaration signed by such person specifying the quantity of tobacco leaf so delivered or the quantity of cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco proposed to be so removed, as the case may be.  
(4) Every declaration referred to in subsection (3) shall be in such form as may be approved or provided for the purpose by the Commissioner-General of Excise.

4. (1) Where a manufacturer registered for the purpose under this Act makes a declaration to the Commissioner-General of Excise that he intends to export to such country as is specified in such declaration, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco manufactured by him, of such quantity as is specified in such declaration, the Commissioner-General of Excise shall allow such manufacturer to remove such cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco from any factory or warehouse in which they are stored, without the payment of the tobacco tax payable thereon, under this Act.
- (2) Every manufacturer making a declaration under subsection (1) shall adduce proof to the satisfaction of the Commissioner-General of Excise, within six months of such declaration, that he has exported cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco of such quantity as is specified in such declaration, to the country specified in such declaration.
- (3) Where a manufacturer referred to in subsection (1) fails to adduce proof to the satisfaction of the Commissioner-General of Excise, that he has exported cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco of such quantity as is specified in the declaration made by him under that subsection, to the country specified in such declaration, the Commissioner-General of Excise shall direct him to pay the tobacco tax payable on such cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco, with interest on the amount of such tax at the rate of ten *per centum per annum*, from the date on which such cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco were removed from any factory or warehouse in which they were stored, to the date of payment of such tax and the interest thereon.
5. (1) From and after the date of commencement of this Act, a person shall not use any tobacco leaf in the manufacture of cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco unless he has been registered by the Commissioner General of Excise as a manufacturer for the purposes of this Act.
- (2) Every application for registration as a manufacturer for the purposes of this Act—
  - (a) shall be made to the Commissioner-General of Excise in such form as he may provide for the purpose ;
  - (b) shall contain all such particulars as may be set out in such form with respect to the use or the proposed use of tobacco leaf in the manufacture of cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco ; and
  - (c) shall be accompanied by an application fee of the prescribed amount.
- (3) A person who is registered as a manufacturer for the purposes of this Act shall, whenever so required by the Commissioner-General of Excise, furnish a return containing particulars as to the quantity of cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco, as the case may be, being manufactured or estimated to be manufactured by the use of a specified quantity of tobacco leaf; and separate particulars shall be furnished in such return with respect to each class or description of cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco manufactured by that manufacturer.
6. (1) The amount of the tobacco tax payable from time to time under this Act by any manufacturer shall be paid to the Commissioner-General of Excise or to a person designated by such Commissioner-General and shall be credited by the Commissioner-General of Excise or such person to the Consolidated Fund.
- (2) Regulations made under section 21 may provide for the manner of payment of the tobacco tax.
7. (1) The Commissioner-General of Excise or any officer of the Excise Department of a rank not below that of Inspector or any officer of the Customs Department of a rank not below that of Superintendent or any Police officer not below the rank of a Sub-Inspector of police may –
  - (a) stop and board any vehicle or vessel in which tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco are or is being transported or suspected of being transported ;
  - (b) at any reasonable time enter and inspect any factory or premises in which any tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco are or is kept or stored or suspected to be kept or stored,

for the purpose of ascertaining whether any offence under this Act has been or is being committed or for the purpose of ascertaining the quantity of such tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco, which are or is in such vehicle, vessel, factory or premises, or of ascertaining whether or not the tobacco tax, Excise (Special Provisions) duty, customs duty or any other tax has been paid or is payable thereon, or of verifying the accuracy of any return, or declaration furnished to the Commissioner-General of Excise under this Act, or of examining any books or documents relating to such tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco, as the case may be.

- (2) Every person who resists or obstructs an officer referred to in subsection (1) in the exercise by such officer of the powers conferred on him by that subsection shall be guilty of an offence under this Act.
8. (1) A person who is registered as a manufacturer for the purposes of this Act shall not have in his factory any quantity of imported tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco unless he has in his possession a duplicate of the bill of entry relating to the importation of that quantity of tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco, as the case may be, into Sri Lanka.
- (2) Every person who is registered as a manufacturer for the purposes of this Act shall, when requested to do so by any officer of the Excise Department of a rank not below that of Inspector or any Police officer not below the rank of an Inspector of Police, produce for inspection a duplicate of the bill of entry relating to any quantity of imported tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco, as the case may be, kept in his factory.
9. Every person who is registered as a manufacturer for the purposes of this Act shall keep in his factory such weights and weighing instruments for weighing quantities of tobacco leaf as are in conformity with the standards established under any law for the time being in force relating to weights and measures and stamped as provided by such law, and shall, when requested to do so by any officer of the Excise Department of a rank not below that of Inspector or any Police officer not below the rank of sub-Inspector of Police weigh, or cause to be weighed, any quantity of tobacco leaf which is in such factory.
10. (1) Any person who is aggrieved by any decision made by any officer of the Excise Department other than the Commissioner-General of Excise under the provisions of this Act or any regulation made thereunder may within thirty days after such decision is communicated to him, appeal therefrom to the Commissioner-General of Excise.
- (2) Any person who is aggrieved by any decision made by the Commissioner-General of Excise under the provisions of this Act or any regulation made thereunder may, within thirty days after such decision is communicated to him, appeal therefrom to the Secretary of the Ministry of the Minister in charge of the subject of Finance.
- (3) Every appeal under this section shall be in writing and shall state the grounds of appeal.
- (4) The Commissioner-General of Excise shall before determining any appeal made to him under subsection (1), afford the appellant an opportunity of being heard either in person or by his authorised representative.
- (5) The Commissioner-General of Excise or the Secretary to the Ministry of the Minister may, upon any appeal made to him under subsection (1) or subsection (2) as the case may be, affirm, vary or annul the decision against which such appeal was made.
11. Every person who stores, transports, supplies, possesses, sells or otherwise deals with any cigarettes which being cigarettes chargeable on their importation with customs or excise duty—
- (a) were unshipped at or brought into, any port or other place in Sri Lanka or were unloaded from any aircraft in Sri Lanka, without payment of that duty except as provided by or under the Customs Ordinance, and Excise (Special provisions) Act, No. 13 of 1989;
  - (b) are imported into Sri Lanka concealed in a container holding goods of a different description;
  - (c) are found whether before or after delivery in Sri Lanka, not to correspond to the bill of entry made in respect thereof; or

- (d) are concealed or packed in any manner appearing to be intended to deceive an officer of the Customs Department or the Excise Department,

shall be guilty of an offence under this Act.

12. Every person who transports, supplies, sells or stores or exposes for sale any cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco on which tobacco tax or Customs duty or excise duty has not been paid shall be guilty of an offence under this Act.
13. Every person who, being a manufacturer of or trader in, or importer or dealer of, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco fails or neglects to comply with any direction issued to him under the Consumer Protection Act, No. 1 of 1979, shall be guilty of an offence under this Act.
14. Any person who contravenes or fails to comply with any of the provision of this Act or of any regulation made thereunder shall be guilty of an offence under this Act.
15. (1) Every person guilty of an offence under this Act shall on conviction after summary trial before a Magistrate be liable to a fine not exceeding one million rupees or to imprisonment of either description for a term not exceeding five years.
- (2) The court which convicts any person of any offence under this Act committed in respect of any tobacco leaf, cigarettes, cigars, beedies, cigarette substitute or pipe tobacco, may in addition to any other punishment which it may impose, make order declaring that such tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco and any vehicle or article used in or in connection with the commission of that offence shall be forfeited to the State.
- (3) An order made under subsection (2) shall take effect—
- (a) where an appeal has been preferred to a High Court established under Article 154P of the Constitution against the order of forfeiture, upon the final determination of such appeal confirming or upholding the order of forfeiture;
- (b) where an appeal has not been preferred to a High Court established under Article 154P of the Constitution against the order of forfeiture within the period allowed therefor, after the expiration of that period .
- (4) Where a person convicted of an offence under this Act has been registered as a manufacturer for the purposes of this Act, the court may in addition to any other punishment hereinbefore provided make order cancelling the registration of that person as a manufacturer:
- Provided, however, that any such person may again be registered as a manufacturer by the Commissioner-General of Excise if he thinks fit so to do in his discretion.
- (5) Where an offence under this Act is committed by a body corporate, every person, who at the time of the commission of the offence was a director, general manager, secretary or other similar officer of that body corporate shall be deemed to be guilty of that offence, unless he proves that the offence was committed without his knowledge and that he exercised all due diligence to prevent the commission of such offence.
- (6) Any officer of the Excise Department, of a rank not below that of Commissioner of Excise may, with the written approvals of the Secretary to the Ministry of the Minister and the Commissioner-General of Excise compound any offence under this Act for a sum of money equal to not less than one fifth of the maximum fine imposable for such offence.
- (7) The Commissioner-General of Excise shall take possession of any tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco forfeited to the State by an order made under subsection (2), and shall cause the same to be sold by public auction and the proceeds of sales disposed of as provided for in section 17.

16. (1) For the purposes of this Act, any tobacco leaf, cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco on which no customs duty or excise duty has been paid shall be presumed to be Sri Lanka tobacco leaf or cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco manufactured in Sri Lanka until the contrary is proved.

(2) Where in any prosecution instituted under this Act, a question arises as to whether any substance or article is tobacco leaf, a cigarette, cigar, beedi, cigarette substitute or pipe tobacco, a certificate under the hand of the Government Analyst or a tobacco officer of the Department of Agriculture or an Excise Officer of sufficient experience, to the effect that the substance or article described in the certificate is tobacco leaf, cigarette, cigar, beedi, cigarette substitute or pipe tobacco, as the case may be, shall be admissible in evidence and shall be *prima facie* proof of the facts stated therein.

17. The amount—

- (a) of all sums received under subsection (6) of section 15 ; and
- (b) the proceeds of sale of articles forfeited under subsection (2) of section 15,

shall be paid into the hands of the Commissioner-General of Excise and shall (after deducting any expenses incurred) be applied as follows :—

- (i) three fourths shall be paid to the Deputy Secretary to the Treasury, and shall be credited by him to the Consolidated Fund; and
- (ii) the balance one fourth shall be paid into a Reward Fund to be established by this Act under the control of the Commissioner-General of Excise, for distribution in accordance with a scheme to be approved by the Minister, among Excise Officers, Customs Officers, Police Officers and informers, and others assisting in the enforcement of this Act.

18. Where any manufacturer registered for the purposes of this Act or other person requires—

- (a) any service which is determined by the Minister as a special service ; or
- (b) the attendance of any Excise officer at any factory or warehouse or premises other than his proper place of employment,

payment shall be made for such service or attendance, as the case may be, to the Commissioner-General of Excise by such manufacturer or person at such rates as may be specified by the Commissioner-General of Excise.

19. The Commissioner-General of Excise may delegate in writing to the Director-General of Customs or Director-General of Excise any power, duty or function conferred or imposed on or assigned to him by this Act if he is of opinion that it is expedient to do so for the efficient administration of the provisions of this Act.

20. No action shall lie against the Commissioner-General of Excise, the Director-General of Customs or the Director-General of Excise or any excise officer, for damages in any civil court for any act done in good faith in pursuance or supposed pursuance of any provisions of this Act, or of any delegation made thereunder.

21. (1) The Minister in charge of the subject of Finance may make regulations for the purpose of carrying out and giving effect to the provisions of this Act and for the prevention of the evasion of the tobacco tax imposed by this Act, and in respect of all matters which are required by this Act to be prescribed.

(2) Without prejudice to the generality of the powers conferred by subsection (1) regulations made under that subsection may provide for the maintenance, at any factory at which any tobacco leaf is used, of a separate warehouse or room for the storage of cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco manufactured from such tobacco leaf prior to the payment of the tobacco tax payable thereon and for the measures that may be taken by the Commissioner-General of Excise to supervise or control the removal of such cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco from such warehouse or room prior to

payment of the tobacco tax payable thereon, and the terms and conditions subject to which the exemption from the tobacco tax, payable on cigarettes, cigars, beedies, and pipe tobacco intended for export shall be granted under section 4.

- (3) Every regulation made under this section shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.
- (4) Every regulation shall as soon as convenient after its publication in the *Gazette* be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval but without prejudice to anything previously done thereunder.
- (5) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

22. (1) Tobacco Tax Act, No. 27 of 1953 (Chapter 245) is hereby repealed.

(2) Notwithstanding the repeal of the Tobacco Tax Act, No. 27 of 1953—

- (a) the regulations made under that Act, and in force on the day preceding the date of commencement of this Act shall, except where and insofar as they are not inconsistent with the provisions of this Act be deemed to be regulations made under this Act and shall continue in force until altered, amended or rescinded by regulations made under this Act ;
- (b) all persons registered as manufacturers for the purpose of that Act shall be deemed to be manufactures registered under section 5 of this Act.

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

24. In this Act—

“beedi” means tobacco specially grown for the manufacture of beedi whether cut, crushed, broken or powdered—

- (i) rolled in a leaf of the tropical tree botanically known as *Diospyros Melanoxylon* or *Diospyros Ebinum* of the family of *Ebenaceae* or any of its substitutes ; and
- (ii) intended for smoking ;

“cigar” means tobacco whether cut, crushed, broken or powdered—

- (i) rolled in a tobacco leave ; and
- (ii) intended for smoking ;

“cigarette” means tobacco specially grown for the manufacture of cigarettes whether cut, crushed, broken or powdered—

- (i) rolled in any type of wrapper (other than tobacco leaf or leaf meant for the manufacture of beedi) ; and
- (ii) intended for smoking ;

“cigarette substitute” means tobacco in any form rolled in any type of wrapper and intended for smoking, and does not include a beedi, cigar or cigarette ;

“Commissioner-General of Excise” means the Commissioner-General of Excise appointed under the Excise Ordinance ;

“Customs duty” means Customs duty charged and levied under the Customs Ordinance ;

“Director-General of Customs” means the Director-General of Customs appointed under the Customs Ordinance ;

“Director-General of Excise” means the Director-General of Excise appointed under the Excise (Special Provisions) Act, No. 13 of 1989 ;

“Excise Duty” means Excise Duty charged and levied under the Excise Duty (Special Provisions) Act, No. 13 of 1989 ;

“factory”—

- (a) means any premises at which the manufacture of cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco is carried on ; and
- (b) includes any store or other place maintained in connection with any premises referred to in paragraph (a) ;

“import” means to bring into Sri Lanka, by sea or air, from any place outside or beyond the limits of Sri Lanka ;

“Minister” means the Minister appointed under Article 44 of the Constitution, to whom the subject of Finance is assigned ;

“pipe tobacco” means cut tobacco or tobacco compressed into slabs which can be used, or is intended for smoking in pipes ;

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

“Sale or purchase” with their grammatical variations and cognate expressions in relation to any cigarettes, cigars, beedies, cigarette substitutes or pipe tobacco means any transfer of the possession of the same by one person to another in the ordinary course of trade or business for cash or deferred payment or for other valuable consideration ;

“Sri Lanka tobacco leaf” means the leaf of the tobacco plant grown in Sri Lanka and includes any tobacco leaf found in Sri Lanka the origin of which is not established otherwise ;

“transport” means to move from one place to another within Sri Lanka.

# AGRICULTURAL AND AGRARIAN INSURANCE ACT, NO. 20 OF 1999

[Certified on 16th July, 1999]

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF AN AGRICULTURAL AND AGRARIAN INSURANCE BOARD TO PROVIDE INSURANCE OF AGRICULTURAL AND HORTICULTURAL CROPS AND MEDICINAL PLANTS, LIVESTOCK, FISHERIES AND FORESTRY, AGRICULTURAL EQUIPMENT AND IMPLEMENTS AND THE STORAGE AND PRESERVATION OF AGRICULTURAL AND HORTICULTURAL PRODUCE AND THE PRODUCTS OF MEDICINAL PLANTS, FISHERIES AND FOREST PRODUCE; TO PROVIDE MEDICAL BENEFITS AND SOCIAL SECURITY SCHEMES FOR AGRICULTURISTS; TO REPEAL THE AGRICULTURAL INSURANCE LAW, NO. 27 OF 1973; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

1. This Act may be cited as the Agricultural and Agrarian Insurance Act, No. 20 of 1999 and shall come into operation on such date as the Minister may appoint by Order published in the *Gazette* (hereinafter referred to as "the appointed date")

## PART I

### THE AGRICULTURAL AND AGRARIAN INSURANCE BOARD

2. (1) There shall be established a Board which shall be called the Agricultural and Agrarian Insurance Board (hereinafter referred to as "the Board").  
(2) The Board shall by the name assigned to it by subsection (1), be a body corporate with perpetual succession and a common seal and may sue and be sued in such name.
3. The Board shall consist of the following members—
  - (a) the Chairman appointed by the Minister;
  - (b) the Secretary to the Ministry of the Minister in charge of the subject of Finance, or an officer of the Ministry of Finance nominated by such Minister;
  - (c) the Secretary to the Ministry of the Minister in charge of the subject of Agriculture or his nominee;
  - (d) the Secretary to the Ministry of the Minister in charge of the subject of Fisheries or his nominee;
  - (e) the Secretary to the Ministry of the Minister in charge of the subject of Livestock or his nominee;
  - (f) the Chief Executive of a licensed Commercial Bank within the meaning of the Banking Act, No. 30 of 1988 nominated by the Minister, or his nominee;
  - (g) the nominee of a National Farmers Association recognized by the Government.
4. (1) The Chairman of the Board shall, subject to the provisions of subsections (4) and (5) hold office for a period of three years from the date of his appointment, and shall be eligible for re-appointment.  
(2) If the Chairman of the Board is for any reason temporarily unable to perform the duties of his office, the Minister may appoint a fit and proper person to act in his place.  
(3) The Chairman of the Board shall be remunerated in such manner and at such rates as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.  
(4) The Chairman of the Board may resign from the office of Chairman by letter addressed to the Minister.  
(5) The Minister may at any time remove the Chairman of the Board from the office of Chairman, without assigning any reason therefor.
5. (1) The quorum for any meeting of the Board shall be three and, subject as aforesaid, the Board may regulate the procedure in regard to its meetings and the transaction of business at such meetings.  
(2) The Board may act notwithstanding any vacancy among its members.

6. (1) The seal of the Board shall be in the custody of the Board.
- (2) 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.
- (3) The seal of the Board may be altered in such manner as may be determined by the Board.
7. The functions of the Board shall be—
  - (a) to establish and operate a comprehensive insurance scheme for the benefit of agriculturists, in respect of crops, including plantation crops, medicinal plants, fisheries, forestry and livestock, which will indemnify them against losses, and with a view to providing stability to agriculturists and to promoting agricultural production;
  - (b) to establish and operate an insurance scheme for the benefit of agriculturalists in respect of agricultural equipment and implements and other movable and immovable property of agriculturists;
  - (c) to establish and operate an insurance scheme for the benefit of agriculturists in respect of the storage and preservation of agricultural and horticultural produce and the products of medicinal plants and fisheries and forest produce;
  - (d) to establish and operate medical benefits and social security schemes for the benefit of agriculturists.
8. (1) The Board may exercise all or any of the following powers :—
  - (a) acquire, hold, take on lease or hire, mortgage, sell or otherwise dispose of, any movable or immovable property;
  - (b) borrow money for the purposes of the Board in such manner and upon such security as the Board may, with the approval of the Minister given with the concurrence of the Minister of Finance, determine;
  - (c) conduct, assist and encourage research into all aspects of the insurance activities of the Board;
  - (d) 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 discharge of its functions;
  - (e) do anything, for the purpose of advancing the skills of officers and servants of the Board, and to provide facilities for training persons required for discharging the functions of the Board;
  - (f) authorize any member or officer of the Board to discharge such functions as the Board may consider necessary for the efficient transaction of its business;
  - (g) make rules in relation to its officers and servants including their appointment, promotion, remuneration, disciplinary control, conduct and grant of leave to them;
  - (h) enter into joint schemes with any Public Corporation, Company registered under the Companies Act, No. 17 of 1982, co-operative society or any Agrarian Institution, for discharging its functions under this Act;
  - (i) to make rules in respect of the administration of the Board;
  - (j) to delegate, subject to the general or special direction of the Board, to the Chairman of the Board and through him to any member or officer of the Board, any such function of the Board as the Board may consider necessary so to delegate for the efficient discharge of such functions;
  - (k) to do all other things which in the opinion of the Board are necessary or incidental to the discharge of its functions.
9. (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, on such terms and conditions as may be determined by the Board from time to time.

- (2) At the request of the Board, any public officer may, with the consent of that officer and the Secretary to the Ministry of the Minister 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 public officer is temporarily appointed to the staff of the Board the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to, and in relation, to him.
  - (4) Where any public officer is permanently appointed to the staff of the Board the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991 shall, *mutatis mutandis*, apply to, and in relation, to him.
  - (5) Where the Board employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service to the Board by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.
10. All officers and servants of the Board shall be deemed to be public officers within the meaning of and for the purposes of the Penal Code.
  11. 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.
  12. The Minister may give the Board such general or special directions in writing as to the discharge of the functions and the exercise of the powers of the Board and the Board shall give effect to such directions.

## PART II

### INSURANCE

13. (1) The Board may from time to time, determine, the rates of premium payable on Insurance Policies issued under Schemes established and operated by the Board, having regard to the subject matter of the Insurance and the risks insured against.
  - (2) The Board shall consider every application made to it, for an insurance policy under any scheme established and operated by it, and if satisfied in regard to the genuineness of the application, issue a policy to the applicant which shall indicate *inter alia*—
    - (a) the identity of the proposers;
    - (b) the subject matter of insurance;
    - (c) the Insured's Name;
    - (d) the term of Cover;
    - (e) the sum insured;
    - (f) the amount of premium;
    - (g) the perils and losses insured against;
    - (h) the terms, conditions and exceptions applicable to the risk undertaken;
    - (i) other prescribed particulars.
14. Where, due to any specified cause, there is loss, whether total or partial of the subject matter insured by an insurance policy issued by the Board the insured person shall, within fourteen days of the occurrence of such loss, prefer a written claim to the sum insured under such policy to the agent appointed by the Board within whose area of jurisdiction, the subject matter lies.

15. A contract of insurance by the Board may be declared void, by Court and the premia paid in respect of such contract may be forfeited to the Board if the insured person —
- (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.
16. The holder or holders of an insurance policy issued by the Board may assign such policy to an approved credit agency as security for a loan given by such agency to such holder or holders.
17. Where any person is entitled to any sum of money payable under an insurance policy issued by the Board 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 payable under such insurance policy and to be remitted to such agency.
18. The computation of the amount payable in respect of the loss of the subject matter of insurance shall be made according to such terms and conditions as are specified in the contract of insurance entered into between the Board and the insured person.
19. (1) Where an officer authorized in that behalf by the Board rejects a claim made by an insured person under a policy issued by the Board or where an insured person is dissatisfied with the amount awarded to him by any such officer, such insured person may, within thirty days of the notification to him of the rejection of the claim or of the award, as the case may be, make a written appeal to the Board, stating the grounds of appeal.
- (2) An appeal by an insured person under subsection (1) shall not prejudice his right to institute action in court in respect of the insurance policy to which the appeal relates, and in computing the period of prescription for any such action, the period commencing on the date of the making of such appeal and ending on the date of determination of such appeal shall be disregarded.
20. The Board may enter into reinsurance contracts with the Government or any local or foreign institution undertaking the business of reinsurance.
21. (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 under this Act and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one hundred rupees.
22. 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.

### PART III

#### FINANCE

23. (1) The initial capital of the Board shall be twenty million Rupees.
- (2) The amount of the initial capital of the Board shall be paid to the Board out of the Consolidated Fund of Sri Lanka.
- (3) The Capital of the Board may be increased from time to time by such amount as may be determined by the Board in consultation with the Minister in charge of the subject of Agriculture.

24. (1) The Board shall have its own Fund to be called the Agricultural and Agrarian Insurance Fund (hereinafter referred to as "the Fund").
- (2) There shall be paid into the Fund—
- (a) all such sums of money as are paid to the Board under section 23.
  - (b) all such sums of money as were lying to the credit of the Agricultural Insurance Fund established by the Agricultural Insurance Law, No. 27 of 1973 on the day preceding the appointed date;
  - (c) all such sums of money as are received as interest on investments made by the Board;
  - (d) all such sums of money as are received by the Board as gifts and donations;
  - (e) all such sums of money as are received by the Board in the exercise and discharge of its powers and functions.
- (3) There shall be paid out of the Fund all such sums of money as are required to defray any expenditure incurred by the Board in the exercise and discharge of its powers and functions under this Act.
- (4) At the close of each financial year, the Board shall set apart an amount to create a Reserve Fund which shall be used at the discretion of the Board to settle claims arising from unforeseen occurrences.
25. (1) The Board may, with the concurrence of 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, such sums as the Board may require for meeting the obligations of the Board or discharging its functions.
- (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).
26. Any funds of the Board which are not immediately required for the purpose of the business of the Board shall be invested by the Board in high yielding securities at the maximum obtainable rates of interest.
27. The Board shall cause its books to be balanced on the thirty-first day of December in each year and shall not later than the thirtieth day of April next following prepare a profit and loss account and a balance sheet containing a summary of the assets and liabilities of the Board made up to the date aforesaid, prepared and signed by the officer responsible for the preparation of such accounts and balance sheet.
28. Article 154 of the Constitution shall apply to the audit of the accounts of the Board.

#### PART IV

#### GENERAL

29. The provisions of this Act shall have effect notwithstanding anything to the contrary in the Control of Insurance Act or any other written law, and accordingly, in the event of any conflict or inconsistency between the provisions of this Act and such other law, the provisions of this Act shall prevail.
30. (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 Act ; 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 Act or on the direction of the Board.

- (2) Any expense incurred by any such person as is referred to in paragraph (b) of 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 Act 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.
31. (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 provisions 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 under the Land Acquisition Act and be transferred to the Board.
- (4) Any sum payable as compensation for the acquisition of any immovable property under the Land Acquisition Act for the purposes of the Board shall be paid by the Board out of the Fund.
32. (1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act or in respect of matters which are required by this Act to be prescribed.
- (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 Parliament 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.
33. (1) The Agricultural Insurance Law, No. 27 of 1973 is hereby repealed.
- (2) Notwithstanding the repeal of the Agricultural Insurance Law, No. 27 of 1973—
- (a) all contracts entered into by the Agricultural Insurance Board established by that Law and subsisting on the day preceding the appointed date shall be deemed, with effect from the appointed date to be contracts entered into with the Board and may be enforced accordingly;
- (b) all actions and proceedings instituted by or against the Agricultural Insurance Board established by that Law and pending on the day preceding the appointed date shall be deemed, with effect from the appointed date, to be actions and proceedings instituted by or against the Board and may be continued accordingly;
- (c) all decrees and orders entered in favour of, or against, the Agricultural Insurance Board established by that Law and remaining unsatisfied on the day preceding the appointed date shall be deemed, with effect from the appointed date, to be decrees and orders entered in favour of, or against, the Board, as the case may be, and may be enforced accordingly;
- (d) all powers and duties conferred or imposed on the Agricultural Insurance Board established by that Law, by the Farmers Pension and Social Security Benefit Scheme Act, No. 12 of 1987 the Fisherman's Pension and Social Securities Benefit Scheme Act, No. 23 of 1990, shall be deemed, with effect from the appointed date, to be powers and duties conferred or imposed on the Board, and accordingly, references in the Farmers Pension and Social Security Benefit Scheme Act, No. 12 of 1987 and the Fisherman's Pension and Social Security Benefit Scheme Act, No. 23 of 1990 respectively, to the "Agricultural Insurance Board" shall be deemed to be references to "the Board".

- (e) all property movable or immovable owned by the Agricultural Insurance Board established by that Law and used for the purpose of the Board on the day immediately preceding the appointed date shall vest in the Board with effect from the appointed date ;
- (f) all debts and liabilities of the Agricultural Insurance Board established by that Law and subsisting on the day immediately preceding the appointed date shall be deemed to be debts and liabilities of the Board with effect from the appointed date ;
- (g) all officers and servants of the Agricultural Insurance Board established by that Law on the day immediately preceding the appointed date who accept employment with the Board shall be employed by the Board on such terms and conditions as are not less favourable than the terms and conditions of employment that were applicable to them on the day immediately preceding the appointed date ;
- (h) all moneys lying to the credit of the Agricultural Insurance Board established by that Law on the day immediately preceding the appointed date shall stand transferred with effect from that date to the Fund of the Board established under this Act.

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

**35.** In this Act—

“agriculturist” means a person, Agrarian Services Committee or Farmer Organization established or registered under the Agrarian Services Act, No. 58 of 1979, or a Company registered under the Companies Act, No. 17 of 1982 or co-operative society registered under the Co-operative Societies Law, No. 5 of 1972 or any other society registered under any law for the time being in force or any Non Governmental Organization, carrying on any activity relating to agriculture, horticulture, medicinal plants, livestock, fisheries or forestry;

“approved credit agency” means any co-operative society or other institution for the time being duly recognized by the Board for the purposes of this Act;

“National Farmers’ Association” means a national farmers’ association recognized by the Minister having regard to the services provided by such association;

“prescribed” means prescribed by regulation made under this Act;

“public corporation” means any corporation, Board or other body which was or is established by or under any written law, other than the Companies’ Act, No. 17 of 1982 with capital wholly or partly provided by the Government by way of grant, loan or other form.

# NATIONAL SECURITY LEVY (AMENDMENT) ACT, NO. 21 OF 1999

[Certified on 27th July, 1999]

## AN ACT TO AMEND THE NATIONAL SECURITY LEVY ACT, NO. 52 OF 1991

1. This Act may be cited as the National Security Levy (Amendment) Act, No. 21 of 1999.
2. Section 3 of the National Security Levy Act, No. 52 of 1991 (hereinafter referred to as the "principal enactment") is hereby amended as follows :—
  - (1) in subsection (1) of that section, by the repeal of all the words from "every quarter of every year commencing on or after" to the end of that subsection, and the substitution of the following therefore :—

"every quarter or part thereof of every year commencing on or after January 1, 1997 (hereinafter referred to as "the relevant quarter") a National Security Levy" (hereinafter referred to as "the levy") on the turnover or part thereof, of that person for that quarter or part thereof, calculated at the appropriate rates specified in the Schedule to this Act."
  - (2) in subsection (2) of that section—
    - (a) by the substitution in paragraph (g) of that subsection, for the words "taken out of Sri Lanka for repairs, and", of the words "taken out of Sri Lanka for repairs ;";
    - (b) by the substitution in paragraph (h) of that subsection, for the words "owned or chartered by such airline or shipping company", of the words "owned or chartered by such airline or shipping company ; and"
    - (c) by the addition, at the end of that subsection, of the following paragraph :—

"(i) the proceeds from the sale of any article, or any sum received or receivable in respect of the provision of any service to the United Nations Organisation or to any specialized agency of such Organization or to the diplomatic mission of any foreign Government or to any member of the diplomatic staff of such mission."
3. Section 4 of the principal enactment is hereby amended as follows :—
  - (1) in paragraph (g) of that section by the substitution, for the words and figures "for every quarter of every year commencing on or after January 1, 1997", of the words and figures "for every quarter commencing on or after January 1, 1997 but prior to October 1, 1998 ;"; and
  - (2) by the addition, immediately after paragraph (g), of the following paragraph :—

"(h) for the quarter commencing on October 1, 1998—

    - (i) an amount equivalent to—
      - (A) four and one half *per centum* of the turnover of that person not being turnover referred to in item (B) of this sub-paragraph ; and
      - (B) one half *per centum* of the turnover of that person arising from the import or manufacture of any plant, machinery or equipment, not being any motor car, motor coach or lorry within the meaning of the Motor Traffic Act (Chapter 203),for the period commencing on October 1, 1998 and ending on November 5, 1998, in that quarter, on or before the fifteenth day of November, 1998 ;
    - (ii) an amount equivalent to—
      - (A) five and one half *per centum* of the turnover of that person, not being turnover referred to in item (B) of this sub-paragraph ; and

- (B) one half *per centum* of the turnover of that person arising from the import or manufacture of any plant, machinery or equipment, not being any motor car, motor coach or lorry within the meaning of the Motor Traffic Act (Chapter 203),

for the period commencing on November 6, 1998 and ending on November 30, 1998, in that quarter, on or before the fifteenth day of December, 1998 ;

- (iii) the amount of the levy payable by such person for that quarter reduced by the aggregate of the amounts paid by him in accordance with the provisions of sub-paragraph (i) and sub-paragraph (ii) of this paragraph, on or before the fifteenth day of the month immediately succeeding the end of that quarter ; and

- (i) for every quarter commencing on or after January 1, 1999—

- (i) an amount equivalent to—

- (A) five and one half *per centum* of the turnover of that person, not being turnover referred to in item (B) of this sub-paragraph ; and

- (B) one half *per centum* of the turnover of that person arising from the import or manufacture of any plant, machinery or equipment, not being any motor car, motor coach or lorry within the meaning of the Motor Traffic Act (Chapter 203),

for the first month of that quarter, on or before the fifteenth day of the second month of that quarter,

- (ii) an amount equivalent to—

- (A) five and one half *per centum* of the turnover of that person, not being turnover referred to in item (B) of this sub-paragraph ; and

- (B) one half *per centum* of the turnover of that person arising from the import or manufacture of any plant, machinery or equipment, not being any motor car, motor coach or lorry within the meaning of the Motor Traffic Act (Chapter 203),

for the second month of that quarter, on or before the fifteenth day of the third month of that quarter ; and

- (iii) the amount of the levy payable by such person for that quarter reduced by the aggregate of the amounts paid by him in accordance with the provisions of sub-paragraph (i) and sub - paragraph (ii) of this paragraph, on or before the fifteenth day of the month immediately succeeding the end of that quarter.”.

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

- (1) in item 7 of that schedule by the substitution for the words and figures “every quarter of every year commencing on or after January 1, 1997”, of the words and figures “every quarter of every year commencing on or after January 1, 1997 but prior to October 1, 1998”. ;

- (2) by the addition, at the end of that Schedule of the following items :—

“ 8. For the quarter commencing on October 1, 1998—

- (i) on turnover other than turnover referred to in paragraph (ii)

- (a) arising for the period commencing on October 1, 1998 and ending on November 5, 1998

4 1/2 *per centum*

- (b) arising for the period commencing on November 6, 1998 and ending on December 31, 1998

5 1/2 *per centum*

- (ii) on turnover arising from the import or manufacture of any plant, machinery or equipment, not being any motor car, motor coach or lorry within the meaning of the Motor Traffic Act (Chapter 203)

0.5 *per centum*

9. For every quarter of every year commencing on or after January 1, 1999—

- (i) On turnover other than turnover referred to in paragraph (ii), of this item

5 1/2 *per centum*

- (ii) on turnover arising from the import or manufacture of any plant, machinery or equipment, not being any motor car, motor coach or lorry within the meaning of the Motor Traffic Act (Chapter 203)

0.5 *per centum*”.

5. Where the Director-General of Customs collects during the period commencing on November 6, 1998 and ending on the date of commencement of this Act, from an importer of an article not being plant, machinery or equipment, an amount in excess of four and one half *per centum* of the value of such article, such collection shall be deemed for all purposes to have been, and to be, validly made, and such Director-General of Customs is hereby indemnified against all actions, civil or criminal, in respect of such collection.
6. Where a person to whom this Act applies is required by section 4 of the principal enactment as amended by section 2 of this Act, to pay to the Commissioner-General in respect of the period from November 6, 1998 to the date of commencement of this Act, an amount in excess of four and one half *per centum* of the turnover of that person for that period, such person shall be deemed for all purposes, to have complied with the requirements of that section, if he pays to the Commissioner-General, within thirty days of the date of commencement of this Act, the difference between the amount he was required by section 4 of the principal enactment as amended by section 2 of this Act, to pay for that period, and the amount paid, by him for that period, as the case may be. Where such difference is not so paid, such difference shall be deemed to be in default after the expiration of thirty days from the date of commencement of this Act, and such person shall be deemed to be a defaulter within the meaning of the principal enactment, with effect from that date.
7. The amendment made to section 3 of the principal enactment by section 2(2) of this Act, shall be deemed for all purposes to have come into force on April 1, 1999.
8. In the event of any inconsistency between the Sinhala and the Tamil texts of this Act, the Sinhala text shall prevail.

# NATIONAL SAVINGS BANK (AMENDMENT) ACT, NO. 22 OF 1999

[Certified on 12th August, 1999]

## AN ACT TO AMEND THE NATIONAL SAVINGS BANK ACT, NO. 30 OF 1971

1. This Act may be cited as the National Savings Bank (Amendment) Act, No. 22 of 1999.
2. Section 3 of the National Savings Bank Act, No. 30 of 1971 (hereinafter referred to as the "principal enactment") is hereby amended as follows :—
  - (1) in subsection (3) of that section, by the substitution, for the words "The Seal of the Bank", of the words "Subject to the provisions of subsection (4), the Seal of the Bank" ; and
  - (2) by the addition, immediately after subsection (3) of that section, of the following new subsection :—

“(4) Where due to sickness, temporary absence from Sri Lanka or there being vacancies in the membership of the Board, affixing of the seal under subsection (3) cannot be done in the presence of two members, the seal may be affixed to any instrument or document in the presence of one member and the General-Manager of the Bank.”.
3. Section 4 of the principal enactment is hereby amended as follows :—
  - (1) by the repeal of subsection (1) of that section, and the substitution of the following subsection therefor :—

“(1) The Bank shall have its principal place of business in Colombo and may have such branches, and may appoint such agencies and agents as may be necessary for the transaction of business of the Bank and may also appoint agents and establish representative offices outside Sri Lanka for purpose of mobilisation of deposits.” and
  - (2) by the substitution, in subsection (2) of that section, for the words, "appoint as an agency or agent;," of the words "appoint as an agent;".
4. Section 6 of the principal enactment as amended by Act, No. 28 of 1995 is hereby further amended in subsection (1) of that section, as follows :—
  - (1) by the substitution for the words "provisions of this Act;," of the words "provisions of this Act and any other law including regulations made or directions issued thereunder;,";
  - (2) in paragraph (a) of that subsection, by the substitution, for the words "savings accounts and the issue of savings certificates;," of the words "savings certificate or any other instrument or product that will enable the Bank to mobilise savings;,";
  - (3) in paragraph (e) of that subsection, by the substitution, for the words "against the security of their deposits;," of the words "against the security of their deposits or any other security or guarantee as determined by the Board ;,";
  - (4) in paragraph (f) of that subsection, by the substitution for the words "housing loans on security", of the words "housing loans or other loans for non commercial purposes on security";
  - (5) in paragraph (h) of that subsection, by the substitution, for the words "acquiring any immovable or movable property", of the words "purchasing, taking on lease, exchange, hiring or otherwise acquiring, any immovable or movable property or any rights in such property";
  - (6) by the repeal of paragraph (j) of that subsection, and the substitution therefor of the following paragraph :—

“(j) trading in financial instruments issued or guaranteed by financial institutions and quoted companies approved by the Board;,”;

(7) by the addition immediately after paragraph (j) of that subsection the following new paragraphs :—

- “(k) providing re-finance facilities to licensed commercial banks and licensed specialised banks, for the purpose of medium and long term project lending;
- (l) issuing letters of guarantee against deposits;
- (m) borrowing monies from local and international credit institutions or agencies;
- (n) conducting lotteries and prize competitions;
- (o) investing in equity capital of any licensed commercial bank, licensed specialised bank, a subsidiary of any licensed commercial bank or licensed specialised bank or in any public company listed or seeking listing in a licensed stock exchange;
- (p) opening of rupee accounts for non residents;
- (q) collection and conversion of foreign currency from depositors;
- (r) providing safe custody and safe deposit locker facilities to customers;
- (s) undertaking pawnbroking business subject to such conditions as may be determined by the Monetary Board;
- (t) providing facilities for money transfers;
- (u) establishing subsidiary companies with the written approval of the Monetary Board;
- (v) undertaking trust and estate administration;
- (w) carrying on such other activities as may be incidental or conducive to the functions and activities referred to above.”.

5. Section 26 of the principal enactment as amended by Act, No. 28 of 1995, is hereby further amended in subsection (1) of that section by the substitution for the words “General Manager of the Bank”, of the words “General Manager of the Bank who shall be the Chief Executive Officer of the Bank.”.

6. The following new section is hereby inserted immediately after section 26 and shall have effect as section 26A of the principal enactment:—

“Delegation of powers to the General Manager and any other officer.

26A. (1) The Board may, from time to time by resolution made in that behalf delegate to the General Manager or to any other officer of the Bank any of its functions or activities, subject to such terms and conditions as may be specified in such resolution and the Board may revoke or withdraw any such delegation.

(2) Notwithstanding any delegation made under subsection (1) to the General Manager or to any other officer of the Bank, the Board shall have the right to discharge or perform any function or activity so delegated.”.

7. Section 41 of the principal enactment as amended by Act, No. 28 of 1995 is hereby repealed and the following section is substituted therefor:—

“Interest to be paid.

41. Interest shall be paid by the Bank at rates to be determined by the Board, on money’s deposited with it, including money’s transferred to the Unclaimed Deposits Reserve, for the period during which the money was lying in such Unclaimed Deposits Reserve.”.

8. The following new section is hereby inserted immediately after section 41, and shall have effect as section 42 of the principal enactment :—

“Payments other than interest.

42. the Board may make payments, other than interest, on such classes of accounts as it may specify, and at such rates as it may determine.”.

9. Section 47 of the principal enactment as amended by Act, No. 28 of 1995 is hereby further amended in subsection (4) of that section, by the substitution, for the words “pay an amount equivalent to the amount which

was in the account, to the claimant”, of the words “pay to the claimant an amount equivalent to the amount which was in the account together with interest calculated in accordance with rates as determined by the Board under section 41,”.

10. The following new section is hereby inserted immediately after section 78, and shall have effect as section 79 of the principal enactment :—

“Pawnbrokers Ordinance not to apply. 79. the provisions of the Pawnbrokers Ordinance (Chapter 90) shall not apply in respect of pawnbroking business undertaken by the Bank.”.

11. Section 87 of the principal enactment as last amended by Act, No. 28 of 1995 is hereby further amended as follows :—

- (1) by the insertion immediately after the definition of the word “guardian” of the following new definition:—

“ licensed commercial bank” and “licensed specialised bank” shall have the same meaning, respectively as in Banking Act, No. 30 of 1988;” and; and

- (2) by the insertion immediately after the definition of the expression “savings certificate”, of the following new definition:—

“ “savings instrument or product” means any instrument or product that will enable the Bank to mobilise savings””.

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

# FINANCE (AMENDMENT) ACT, NO. 24 OF 1999

[Certified on 30th August, 1999]

## AN ACT TO AMEND THE FINANCE ACT, NO. 16 OF 1995

1. This Act may be cited as the Finance (Amendment) Act, No. 24 of 1999.
2. Section 2 of the Finance Act, No. 16 of 1995 (hereinafter referred to as the "principal enactment") is hereby repealed and the substitution therefor of the following :—

"Annual diesel motor vehicle levy.

2. There shall be charged, levied and paid, on every diesel motor vehicle, a diesel motor vehicle levy (in this part referred to as "the levy"), for the years commencing respectively, on April 1, 1995 and April 1, 1996, of a sum equal to ten thousand rupees, and for every year commencing on or after April 1, 1997, of a sum equal to five thousand rupees. The levy payable for every such year shall be paid by the registered owner of the diesel motor vehicle, on or before the relevant date."

3. Section 3 of the principal enactment is hereby amended by the substitution, for the words "There shall be charged, levied and paid, on every luxury motor vehicle (other than a semi-luxury dual purpose motor vehicle) for", of the words "There shall be charged, levied and paid on every luxury motor vehicle (other than a semi luxury dual purpose motor vehicle or a wagon) for".
4. Section 4 of the principal enactment is hereby amended by the substitution, for the words "There shall be charged, levied and paid, on every semi luxury motor vehicle for", of the words "There shall be charged, levied and paid on every semi luxury motor vehicle (other than a semi luxury dual purpose motor vehicle or a wagon) for".
5. Section 5 of the principal enactment is hereby amended by the substitution, for the words "There shall be charged, levied and paid, on every semi-luxury dual purpose motor vehicle for", of the words "There shall be charged, levied and paid, on every semi-luxury dual purpose motor vehicle (other than a wagon) for".
6. Section 6 of the principal enactment is hereby amended by the substitution, for the words "semi luxury motor vehicle levy and semi luxury dual purpose motor vehicle levy and any penalty added thereto", of the words "semi luxury motor vehicle levy and semi luxury dual purpose motor vehicle levy".
7. The following new section is hereby inserted immediately after section 7 and shall have the effect as section 7A of the principal enactment :—

"Exemption from diesel motor vehicle levy for non user.

- 7A. The Commissioner may exempt the registered owner of a motor vehicle from the payment of the whole or any part of the diesel motor vehicle levy payable by such registered owner for any year, where he is satisfied that such registered owner has given a notice of non-user for a period exceeding six months in respect of that year, under section 37 of the Motor Traffic Act or any corresponding provision in any statute of a Provincial Council relating to Motor Traffic."

8. The following new section is hereby inserted immediately after section 8 and shall have effect as section 8A of the principal enactment :—

"When registered owner is the State, or a local authority.

- 8A. Notwithstanding the provisions of subsection (1) of section 8, where the registered owner of any specified motor vehicle is the State or a local authority as the case may be, such registered owner may pay the levy to any insurer and the provisions of subsections (2), (3), (4), (5), (6) of section 8 and section 9 shall, *mutatis mutandis*, apply to, and in relation to, such payment."

9. Section 9 of the principal enactment is hereby repealed and the following new section substituted therefor—

- “Registered owner to prove payment of the levy.
- (1) The registered owner of every specified motor vehicle shall produce to the insurer at the time he applies for the issue or renewal of an insurance policy in respect of such motor vehicle for any year, proof of payment of the levy in respect of that specified motor vehicle for that year and the preceding year.
  - (2) Where the registered owner fails to show proof of payment of any levy referred to in subsection (1), the insurer shall notify the Commissioner forthwith of such non payment.”.

10. Section 10 of the principal enactment is hereby amended as follows :—

- (1) by the substitution, in subsection (3) of that section, for the words “levy in default within”, of the words “levy in default and any penalty added thereto within” ;

- (2) by the repeal of subsection (4) of that section and the substitution therefor of the following :—

“ (4) A notice shall be deemed to have been duly served on a defaulter where he is—

- (a) a registered owner of any specified motor vehicle, if such notice was served on him personally or was sent by registered post addressed to him at the address set out in the Certificate of Registration of that vehicle ; or
- (b) an insurer, if such notice was served on him personally or was sent by registered post addressed to him at his registered office or principal place of business,

and in the case of a notice sent to a defaulter by registered post, the notice shall be deemed to have been received by the defaulter on the date on which it would ordinarily be delivered to him.”.

11. The following new sections are hereby inserted immediately after section 10, and shall have effect as sections 10A and 10B respectively of the principal enactment :—

- “Power of Commissioner to waive or reduce penalty.
- 10A. The Commissioner may waive or reduce the amount of any penalty payable by a registered owner under subsection (2) of section 10, if the Commissioner is satisfied that the failure of the registered owner to pay the levy before the relevant date was due to circumstances beyond his control and that waiver or reduction of such penalty is just and equitable in all the circumstances of the case.

- Power of Commissioner to set off or refund penalty.
- 10B. Where the registered owner of a motor vehicle has paid a penalty in respect of a levy which is deemed to be in default, the Commissioner may—
- (a) set off the penalty paid by such registered owner against the levy payable by him for any succeeding year ;
  - (b) refund the penalty paid by such registered owner

where the Commissioner is satisfied that the failure of the registered owner to pay the levy before the relevant date was due to circumstances beyond his control and the set off or refund of the penalty paid by such registered owner is just and equitable in all the circumstances of the case.

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

- “Recovery of levy.
11. Where the amount of the levy and any penalty added thereto, has not been paid before the expiry of the date referred to in a notice sent under section 10, the Commissioner may issue a certificate, containing the amount of such levy and any penalty added thereto, and the name and last known place of residence of the defaulter to a Magistrate having jurisdiction in the division in which such place is situated. The Magistrate shall thereupon summon such defaulter before him to show cause why further proceedings for the recovery of the levy and any penalty added thereto, should not be taken against him, and in default of sufficient cause being shown the levy in default and any penalty added thereto, shall be deemed to be a fine

imposed by a sentence of the Magistrate on such defaulter for an offence punishable with fine only, not punishable with imprisonment, and the provisions of subsection (1) of section 291 (except paragraphs (a), (d) and (i) thereof) of the Code of Criminal Procedure Act, No. 15 of 1979, relating to default of payment of a fine imposed for such an offence shall thereupon apply and the Magistrate may make any direction which, by the provisions of that subsection, he could have made at the time of imposing such sentence.”.

13. Section 12 of the principal enactment is hereby repealed.

14. Section 16 of the principal enactment is hereby amended by the substitution for all the words from “if he pays the levy to the Commissioner within three months of the date of commencement of this Act” to the end of that section, of the following, “if he pays the levy to the Commissioner on or before September 5, 1996. Where any such levy is not so paid such levy shall be deemed to be in default after the expiration of such date and such registered owner shall be deemed to be a defaulter within the meaning of this Act, with effect from such date.”.

15. Section 17 of the principal enactment is hereby amended as follows :—

(1) by the repeal of all the words from “motor cycle” to “Motor Traffic Act” and the substitution of the following therefor :—

“invalid carriage”, “motor ambulance”, “motor cycle”, “motor hearse”, “motor tricycle” “omnibus and private coach” shall have the respective meanings assigned to them by the Motor Traffic Act”;

(2) in the definition of “motor vehicle”, by the substitution for all the words from “lorry”, to the end of that definition of the following :—

“lorry, omnibus, private coach, tractor, hand tractor or trailer, which is constructed or adapted for the carriage of not more than ten persons (including the driver) and their effects;”

(3) by the repeal of the definition of “semi luxury dual purpose vehicle” and the substitution of the following definition therefor :—

“semi luxury dual purpose motor vehicle” means a luxury motor vehicle or a semi luxury motor vehicle which is registered as a dual purpose motor vehicle ;

(4) by the insertion immediately after the definition of “specified motor vehicle”, of the following definition therefor :—

““wagon” means a motor vehicle designed as a single unit and constructed or adapted for the purpose of transporting passengers or goods or passengers and goods.”.

16. The amendment made to section 2 of the principal enactment by section 2 of this Act shall be deemed to have come into force on April 1, 1997.

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

**STAMP DUTY (AMENDMENT) ACT, NO. 25 OF 1999**

[Certified on 30th August, 1999]

**AN ACT TO AMEND THE STAMP DUTY ACT, NO. 43 OF 1982**

1. This Act may be cited as the Stamp Duty (Amendment) Act, No. 25 of 1999.
2. Section 5 of the Stamp Duty Act, No. 43 of 1982 (hereinafter referred to as the “principal enactment”), as last amended by Act, No. 38 of 1996, is hereby further amended as follows :—
  - (1) by the repeal of paragraph (24) of that section, and the substitution therefor of the following paragraph :—

“(24) debt security or any instrument executed for the sale or transfer of a debt security”; and
  - (2) by the addition at the end of that section, of the following new paragraph :—

“(27) repurchase agreement, relating to Treasury Bills or Government Securities entered into with any primary dealer.”.
3. Section 71 of the principal enactment as amended by Act, No. 6 of 1996 is hereby further amended by the insertion immediately after the definition of the expression, “power of attorney”, of the following definition :—

“‘primary dealer’ means any commercial bank, company or other person appointed by the Monetary Board of the Central Bank of Sri Lanka under the Local Treasury Bills Ordinance or the Registered Stocks and Securities Ordinance as a primary dealer for the purpose of dealing in treasury bills or, registered stock and securities;’.
4. The amendments to section 5 and section 71 of the principal enactment made by section 2 and section 3 respectively of this Act, shall be deemed, for all purposes, to have come into force on November 6, 1998.
5. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

## DEBT CONCILIATION (AMENDMENT) ACT, NO. 29 OF 1999

[Certified on 17th September, 1999]

### AN ACT TO AMEND THE DEBT CONCILIATION ORDINANCE

1. This Act may be cited as the Debt Conciliation (Amendment) Act, No. 29 of 1999.
2. Section 19A of the Debt Conciliation Ordinance (Chapter 81) (hereinafter referred to as the "principal enactment") is hereby amended as follows :—
  - (1) by the insertion immediately after subsection (1) of that section, of the following new subsection :—

“(1A) The Board shall not entertain any application by a debtor or creditor in respect of a debt purporting to be secured by any such transfer of immovable property as is a mortgage within the meaning of this Ordinance, unless that application is made within three years of the date of the notarially executed instrument, effecting such transfer :

Provided that nothing in this subsection shall be read or construed as preventing the Board from entertaining, after the period referred to in that subsection, an application by a debtor who is in possession of the property transferred ; and
  - (2) by the substitution in subsection (2) of that section for the words and figures “subsection (1)”, of the words and figures “subsection (1) or subsection (1A)”.
3. Section 19B of the principal enactment is hereby amended by the substitution for the words and figures “subsection (1) of that section”, of the words and figures “subsection (1) or subsection (1A) of that section”.
4. Section 21A of the principal enactment is hereby amended as follows :—
  - (1) by the renumbering of that section as subsection (1) of that section.
  - (2) in the renumbered subsection (1) of that section—
    - (a) by the repeal of all the words from “In any proceeding under this Ordinance” to “the following matters:—” and the substitution therefor of the following :—

“In any proceedings under this Ordinance in regard to an application relating to a transfer or conditional transfer of immovable property, the Board shall, notwithstanding anything to the contrary in section 2 of the Prevention of Frauds Ordinance (Chapter 70), or sections 91 and 92 of the Evidence Ordinance (Chapter 14) and for the purpose of deciding whether or not such transfer or conditional transfer is in reality a mortgage, take into consideration all the circumstances of the case and in particular the following matters :—”;
    - (b) in paragraph (d) of that subsection by the substitution for the words “a legally enforceable agreement”, of the words “any agreement in whatever form”; and
  - (3) by the addition of the end of that section of the following new subsection :—

“(2) The burden of adducing evidence to show that a transfer of immovable property is in reality a mortgage shall be on the transferor.”.
5. Section 32 of the principal enactment is hereby amended in subsection (2) of that section, by the repeal of all the words from “the Board shall dismiss the application” to “ may, if it is”, and the substitution therefor of the following words “the Board may, if it is”.
6. Section 33 of the principal enactment is hereby amended by the repeal of paragraph (b) of that section, and the substitution therefor of the following paragraph :—

“(b) a creditor shall be allowed, notwithstanding any thing to the contrary in any other law, as interest such sum as appears to the Board to be reasonable, having regard to all the circumstances of the case.”.

7. Section 39 of the principal enactment is hereby amended in paragraph (a) of subsection (2) of that section, by the substitution, for the words “may notwithstanding that the” of the words “shall, notwithstanding that the”.
8. Section 64 of the principal enactment is hereby amended as follows :—
  - (1) by the substitution in the definition of “creditor”, for the words “a conditional transfer of immovable property”, of the words “a transfer or conditional transfer of immovable property”; and
  - (2) by the substitution, in the definition of “mortgage”, for the words “any conditional transfer of such property”, of the words “any transfer or conditional transfer of such property”.
9. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

# NATIONAL HOUSING DEVELOPMENT AUTHORITY (AMENDMENT) ACT, NO. 30 OF 1999

[Certified on 23rd September, 1999]

## AN ACT TO AMEND THE NATIONAL HOUSING DEVELOPMENT AUTHORITY ACT, NO. 17 OF 1979

1. This Act may be cited as the National Housing Development Authority (Amendment) Act, No. 30 of 1999.
2. Section 68 of the National Housing Development Authority Act, No. 17 of 1979 (hereinafter referred to as the "principal enactment") is hereby amended by the substitution for the words "except under, the provisions of this Part" of the words "except under the provisions of this Part or Part VII A".
3. The following new Part is hereby inserted immediately after Part VII and shall have effect as Part VII A, of the principal enactment :—

### 'PART VII A

RECOVERY OF POSSESSION OF HOUSES, FLATS AND ANY OTHER BUILDINGS BELONGING TO THE AUTHORITY FROM PERSONS WHO ARE IN UNAUTHORISED POSSESSION OR OCCUPATION OF SUCH HOUSES, FLATS AND BUILDINGS, BY THE GENERAL MANAGER

Houses, flats and other buildings to which this Part applies and interpretation of the expression "building".

69A. This Part shall apply to every house, flat or any other building belonging to the Authority (hereinafter referred to as the "building").

Notice to quit.

- 69B. (1) Where the General Manager has reason to believe that a person is in unauthorised possession or occupation of any building or portion thereof, he may cause a notice to be served on such person requiring him to vacate such building or portion thereof with his dependants, if any, on or before the date specified in such notice and to deliver vacant possession thereof to the General Manager or any person authorized by him in that behalf and specified in the notice or where the General Manager considers such service to be inexpedient or impracticable, he shall cause such notice to be exhibited in a conspicuous place in or upon that building, requiring such person to vacate such building or portion thereof on or before the date specified in the notice and to deliver vacant possession thereof with his dependants, if any, to the General Manager or any person authorized by him in that behalf and specified in the notice. Every such notice shall be substantially in Form A specified in the Second Schedule and is hereinafter in this Part referred to as a "Notice to quit".
- (2) For the purposes of subsection (1) of this section the date specified in the Notice to quit shall be a date not later than sixty days from the date of issue or exhibition of such notice.
- (3) A Notice required to be served on any person shall be sent by registered post addressed to that person and a Notice to quit as such, shall be deemed to have been served on such person at the time when the letter containing such notice has been delivered to the address to which it is sent.

Obligation to comply with Notice to quit.

69C. Where a Notice to quit has been served or exhibited as provided under section 69B, the person in possession or occupation of the building to which the notice relates shall together with his dependants, or other occupants, if any, duly vacate such building or portion thereof

and deliver peaceful vacant possession of such building or portion thereof to the General Manager or any person authorized by him in that behalf and specified in the notice.

Effect of non compliance with the Notice to quit.

69D. (1) Where any person who is in unauthorised possession or occupation of any building or portion thereof fails to comply with the Notice to quit served or exhibited as provided by section 69B, the General Manager may make an application substantially in form B set out in the Second Schedule to this Act, to the Magistrate's Court within whose jurisdiction such building or any portion thereof is situated, setting out the following facts, namely :—

- (i) that he is the General Manager of the Authority ;
- (ii) that the building described in the schedule to the application is a building or portion of a building, belonging to the Authority ;
- (iii) that a Notice to quit was served on the person who was in possession or occupation of such building or was exhibited in a conspicuous place in or upon such building ;
- (iv) that the person named in the application is in unauthorized possession or occupation of such building or portion thereof and has failed to vacate such building or portion thereof and hand over possession thereof as required by section 69C ; and

praying for the recovery of possession of such building or any portion thereof and for the ejectment of such person in possession or occupation of such building, his dependants and other occupants, if any, from such building or portion thereof.

- (2) Every application under subsection (1) shall be supported by an affidavit substantially in the Form C set out in the Second Schedule to this Act verifying the facts set forth in such application and shall be accompanied by a copy of the Notice to quit.
- (3) every application referred to in subsection (1) supported by the affidavit and copy of the Notice to quit referred to in subsection (2) is hereinafter in this Part referred to as an "application for ejectment".
- (4) Notwithstanding anything in the Stamp Duty Act, No. 43 of 1982 no stamp duty shall be payable in respect of any application for ejectment.

Proceedings on receipt of an application for ejectment.

69E. (1) Upon receipt of the application made under section 69D, the Magistrate shall forthwith issue summons together with a copy of the application on the person named in the application to appear and show cause on the date specified in such summons (being a date not later than two weeks from the date of issue of such summons) why such person and his dependants, if any, should not be ejected from the building or any portion thereof as prayed for in the application for ejectment.

- (2) If on the date specified in the summons issued under subsection (1) the person on whom such summons was issued fails to appear or informs the Court that he has no cause to show against the order for ejectment, the Court shall forthwith issue an order directing such person and his dependants, if any, to be ejected forthwith from the building or any portion thereof.
- (3) If a person on whom summons has been served under subsection (1) appears on the date specified in such summons and states that he has cause to show against the issue of an order for ejectment, the Magistrate's Court may proceed forthwith to hear and determine the matter or may set aside the case for an inquiry on a later date.
- (4) Where any application for ejectment has been made to a Magistrate's Court under section 69D, the Magistrate shall give priority over all other business of that Court, to

the hearing and disposal of such application, except when circumstances render it necessary for such other business to be disposed of earlier.

- (5) At such inquiry the person on whom summons under subsection (1) has been served shall not be entitled to contest any of the matters stated in the application under section 69D except that such person may establish that he is in possession or occupation of the building or any portion thereof upon a valid permit or under a valid agreement entered into in writing with the Authority or any company of which the controlling shares are held by the Authority by itself or together with one or more public corporations and that such permit or such valid agreement in writing is and not revoked or otherwise rendered invalid.
- (6) It shall not be competent to the Magistrate's Court to call for any evidence from the General Manager in support of the application made under section 69D.
- (7) If after inquiry the Magistrate is not satisfied that the person showing cause is entitled to the possession or occupation of the building or any portion thereof he shall make an order directing such person and his dependants, if any, in occupation of such building or portion to be ejected forthwith from such building or portion thereof.
- (8) Notwithstanding anything contained in the preceeding provisions where the Magistrate is of opinion that, having regard to the manner in which the person on whom summons under subsection (1) was served entered into occupation of the building or portion thereof, it would be unjust to order his ejectment therefrom, the Magistrate may require such person and the Authority to enter into an agreement on such reasonable terms as may be determined by the Magistrate, with respect to such building or portion thereof, within a period of six months from the date of such requirement:

Provided however where such person on whom summons under subsection (1) was served fails to enter into an agreement within the period of six months from the date of such requirement the provisions contained in this Part shall apply *mutatis mutandis*.

- (9) No appeal shall lie against any order of ejectment made by a Magistrate under subsection (2) or subsection (7).
- (10) Where any person fails to comply with an order made under subsection (2) or subsection (7) the Magistrate shall on the application of the General Manager forthwith issue, and if need be re-issue a writ of possession to the Fiscal, of the Court requiring and authorizing such Fiscal before a date specified in the writ not being a date earlier than three and not later than seven clear days from the date of issue of such writ, to deliver possession of such building or portion thereof to the General Manager or any other person authorized by him in that behalf, specified in Notice to quit relating to such building. Such writ shall be sufficient authority for the said Fiscal or any police officer authorized by Court in that behalf, to enter such building with such assistants as the Fiscal or police officer shall deem necessary and to eject the person in possession or occupation and his dependants or occupants, if any, from such building or portion thereof.
- (11) Notwithstanding anything in any other law, the issue or re-issue of a writ of possession under subsection (10) shall not be stayed in any manner whatsoever by reason of any steps taken or proposed to be taken in any Court with a view to questioning the issue or re-issue of such writ of possession or the Notice to quit in pursuance of which such writ of possession was issued or re-issued.
- (12) Nothing in this Part shall be read and construed as precluding any person who claims to have been unlawfully ejected from any building or portion thereof under this section from instituting an action in any Court, for damages or other relief in respect of such ejectment.

Provisions of  
this Part to  
prevail over  
any other  
provision of  
this Act or  
other written  
law.

69F. The provisions of this Part shall have effect notwithstanding anything contained in any other provision of this Act or other written law, and accordingly, in the event of any conflict or inconsistency between the provisions of this Part and such other provision or written law, the provisions of this Part shall prevail.

69G. for the purposes of this Part—

“Unauthorised possession or occupation” shall include every form of possession or occupation except possession or occupation by any person or after his demise, by his legal heirs, upon a valid agreement entered into in writing with the Authority or any company of which the controlling shares are held by the Authority by itself or together with one or more public corporations ;

“houses, flats and other buildings belonging to the Authority” shall include every house, flat or any other building constructed by the Authority or a company of which the controlling shares are held by the Authority by itself or together with one or more public corporations on State land or land belonging to a public corporation leased out to the Authority or such company.’

4. Section 82 of the principal enactment is hereby amended by the substitution, for the words “Schedule”, of the words “First Schedule”.
5. The following Schedule is hereby inserted immediately after the First Schedule to the principal enactment and shall have effect as the Second Schedule to the principal enactment :—

## “SECOND SCHEDULE

### FORM A

#### Notice to quit

(section 69B)

I, .....(state name and designation) the General Manager, National Housing Development Authority having reasons to believe that you ..... (State name) are in unauthorised possession\*/occupation of the building or portion thereof, described in the schedule hereto, do, by virtue of the powers vested in me by section 69B of the National Housing Development Authority Act, require you ..... (state name) —

(a) to vacate such building together with your dependants, or other occupants, if any ; and

(b) to deliver peaceful vacant possession of such building or portion thereof, to me\*/or .....

.....(state name and designation) authorized person to act on my behalf, on or before ..... (state date).

.....  
Signature  
General Manager.

Schedule above referred to (here describe the building stating the situation including the name of district)

Date : .....

.....  
Signature  
General Manager.

\* delete whatever inapplicable.

FORM B  
APPLICATION FOR EJECTMENT

(section 69D)

To : the Magistrate's Court of ..... (state name of such court)

I, ..... (state name) the General Manager, National Housing Development Authority do,  
by virtue of the powers vested in me by section 69D of the National Housing Development Authority Act, by this application—

(a) set forth the following facts, namely —

- (i) that I am the General Manager of the National Housing Development Authority ;
  - (ii) that the building or portion of the building described in the schedule to this application is a building or portion of a building belonging to the National Housing Development Authority ;
  - (iii) that a Notice to quit (a copy of which is attached to this application) was served on .....  
..... (state name and address)\*/exhibited in or upon the said building ;
  - (iv) that the said ..... (state name) is in unauthorised possession\*/ occupation  
of the said building or portion thereof and has failed to comply with the provisions of section 69C of that Act ;
- (b) pray for the recovery of possession of the said building or portion thereof and for the ejectment of the said .....  
..... (state name) his dependants and other occupants, if any, from the said building or portion thereof.

.....  
Signature  
General Manager.

Schedule above referred to (here describe the building stating the situation including the name of district)

Date : .....

.....  
Signature  
General Manager.

\* delete whatever inapplicable.

FORM C  
AFFIDAVIT

(section 69D)

I, ..... (state name) the General Manager, National Housing Development Authority do,  
as required by section 69D of the National Housing Development Authority Act, hereby solemnly, sincerely and truly make oath  
and state\*/declare and affirm as follows :—

- (i) that I am the General Manager of the National Housing Development Authority ;
- (ii) that the building described in the schedule to the application for ejectment or portion thereof is a building or a portion of a building belonging to the National Housing Development Authority ;
- (iii) that a Notice to quit (a copy of which is attached to this application for ejectment) was served on .....  
..... (state name and address)/exhibited in or upon the said building ;

(iv) that the said ..... (state name) is in unauthorised possession\*/ occupation of the said building or portion thereof and has failed to comply with the provisions of section 69C of that Act ;

.....  
*Signature and designation*

\*Sworn/Affirmed before me by deponent on this .....(state date)

Date : .....

.....  
*Signature and designation*

if any, of person administering oath/affirmation.”.

\*delete whatever inapplicable.

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

# NATIONAL DEVELOPMENT BANK OF SRI LANKA (AMENDMENT) ACT, NO. 34 OF 1999

[Certified on 7th October, 1999]

AN ACT TO AMEND THE NATIONAL DEVELOPMENT BANK OF SRI LANKA ACT, NO. 2 OF 1979

1. This Act may be cited as the National Development Bank of Sri Lanka (Amendment) Act, No. 34 of 1999.
2. Section 6 of the National Development Bank of Sri Lanka Act, No. 2 of 1979 (hereinafter referred to as “the principal enactment”) is hereby amended by the insertion, immediately after paragraph (b) of that section, of the following paragraph :—

“(bb) to grant loans and advances to any individual—

  - (i) for the purchase or lease of any land for the construction of a dwelling house ;
  - (ii) for the construction, repair, renovation or extension of a dwelling house ;
  - (iii) for the purchase or lease of a dwelling house ;
  - (iv) for any purpose incidental, accessory or ancillary to any of the purposes mentioned in sub-paragraph (i), (ii) or (iii) ; or
  - (v) for the liquidating of any debt already incurred for any purpose mentioned in sub-paragraph (i), (ii), (iii) or (iv).”.
3. Section 12 of the principal enactment is hereby amended by the repeal of subsection (1) thereof and the substitution of the following subsection therefor :—

“(1) The Board of Directors shall meet at least ten times in a year, and at least twice in every quarter, for the purpose of discharging its responsibilities under this Act”.
4. Section 16 of the principal enactment is hereby amended by the repeal of subsection (3) thereof and the substitution of the following subsection therefor :—

“(3) the seal of the bank shall not be affixed to any instrument except in the presence of the General Manager or the acting General Manager or the Deputy General Manager or the Assistant General Manager and one Director, both of whom shall sign the instrument in token of their presence.”.
5. In the event of any inconsistency between Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

# INLAND REVENUE (AMENDMENT) ACT, NO. 41 OF 1999

[Certified on 30th November, 1999]

## AN ACT TO AMEND THE INLAND REVENUE ACT, NO. 28 OF 1979

1. This Act may be cited as the Inland Revenue (Amendment) Act, No. 41 of 1999.
2. Section 8 of the Inland Revenue Act, No. 28 of 1979 (hereinafter referred to as the "principal enactment") as last amended by Act, No. 52 of 1998 is hereby further amended in paragraph (a) of that section as follows :—
  - (1) in sub-paragraph (LXXV) of that paragraph, by the substitution, for the words and figures "the Geological Survey and Mines Bureau established under the Mines and Minerals Act, No. 33 of 1992", of the words and figures "the Geological Survey and Mines Bureau established under the Mines and Minerals Act, No. 33 of 1992 ;";
  - (2) by the addition, at the end of that paragraph, of the following sub-paragraphs :—

“(LXXVI) the Commonwealth Development Corporation ;

(LXXVII) the India-Sri Lanka Foundation incorporated under the Companies Act, No. 17 of 1982.”
3. Section 9 of the principal enactment as last amended by Act No. 52 of 1998, is hereby further amended in sub-paragraph (viii) of paragraph (f) of subsection (1) of that section, by the substitution, for the words "the Commonwealth Secretariat in any of its programmes for technical co-operation with Sri Lanka", of the words "the Commonwealth Secretariat in any of its programmes for technical co-operation with Sri Lanka, or the Commonwealth Development Corporation."
4. Section 14 of the principal enactment as last amended by Act No. 52 of 1998 is hereby further amended in sub-paragraph (a) of subsection (1) of that section as follows :—
  - (1) by the renumbering of sub-paragraphs (xxii) and (xxiii) (inserted by Act No. 52 of 1998) as sub-paragraphs (xxiv) and (xxv) respectively, of subsection (1) ; and
  - (2) by the addition, immediately after the renumbered sub-paragraph (xxv) of that subsection of the following sub-paragraphs :—

“(xxvi) the sale, on or after April 1, 1999, but before April 1, 2000 by any person, of any share held by him in any company, being a company the shares of which are quoted on or before March 31, 2000 in any official list published by any stock exchange licensed by the Securities and Exchange Commission of Sri Lanka ;

(xxvii) change of ownership of any—

(i) share warrant; or

(ii) financial instrument which is derived from, and dependant on, another financial instrument,

issued by any company and which at the time of such change of ownership, is quoted in any official list published by any stock exchange licensed by the Securities and Exchange Commission of Sri Lanka.”.
5. Section 15 of the principal enactment as last amended by Act No. 52 of 1998, is hereby further amended as follows :—
  - (1) in paragraph (v) of that section, by the substitution for all the words and figures from "such part of any sum" to "established by the Sri Lanka Bureau of Foreign Employment Act, No. 21 of 1985" of the following :—

“such part of any sum as does not exceed—

- (a) two thousand rupees paid in any year of assessment commencing on or after April 1, 1990 but prior to April 1, 1999; and
- (b) three thousand rupees paid in any year of assessment commencing on or after April 1, 1999

by the Sri Lanka Bureau of Foreign Employment established by the Sri Lanka Bureau of Foreign Employment Act, No. 21 of 1985.”;

- (2) by the repeal of paragraph (vv) of that section, and the substitution therefor of the following paragraph :—

“ (vv) such part of any sum as does not exceed—

- (a) two thousand rupees received in any year of assessment commencing on or after April 1, 1990 but prior to April 1, 1999; and
- (b) three thousand rupees received in any year of assessment commencing on or after April 1, 1999,

by the Sri Lanka Bureau of Foreign Employment established by the Sri Lanka Bureau of Foreign Employment Act, No. 21 of 1985, in respect of any Sri Lankan for whom employment outside Sri Lanka has been provided or secured by such Bureau ;”.

- 6. Section 23 of the principal enactment, as last amended by Act No. 52 of 1998, is hereby further amended as follows :—

- (1) in subsection (1) of that section—

- (a) in paragraph (eee) of that subsection—

- (i) by the substitution, in sub-paragraph (ia) of that paragraph for the words and figures “[other than plant, machinery or fixtures referred to in sub-paragraph (ii) or (iia)]” of the words and figures “[other than plant, machinery or fixtures referred to in sub-paragraph (ii), (iia) or (iib)]” ; and

- (ii) by the insertion, immediately after sub-paragraph (iia) of that paragraph, of the following subparagraph :—

“ (iib) any computer hardware, telecommunication equipment or any accessory to such hardware or equipment acquired by him on or after April 1, 1998 but prior to April 1, 2000 for the replacement of or for upgrading, any computer hardware, telecommunication equipment or any accessory thereto acquired prior to April 1, 1998 and used in any trade, business, profession or vocation carried on or exercised by such person if such computer hardware or telecommunication equipment or accessory to such hardware or equipment acquired on or after April 1, 1998 is millennium compliant, at the rate of one hundred *per centum* of its cost of its acquisition ”;

- (b) by the repeal of paragraph (eeee), of that subsection and the substitution therefor of the following paragraph :—

“(eeee) an allowance in respect of—

- (i) any computer software [other than computer software referred to in sub-paragraph (ii)] acquired by such person during the period of which the profits and income are being ascertained and used by such person in any trade, business, profession, or vocation carried on or exercised by him, such allowance being an amount equal to—

- (A) thirty-three and one third *per centum* of the cost of acquisition of such computer software where such computer software is so acquired prior to April 1, 1997; and

(B) fifty *per centum* of the cost of acquisition of such computer software, where such computer software is so acquired on or after April 1, 1997 ;

- (ii) any computer software acquired by such person, on or after April 1, 1998, but prior to April 1, 2000, for the replacement of, or for upgrading, the computer software acquired prior to April 1, 1998, and used in any trade business, profession or vocation carried on or exercised by him, if such computer software acquired on or after April 1, 1998 is millennium compliant, at the rate of one hundred *per centum* of the cost of its acquisition :

Provided that no deduction under the preceding provisions of this paragraph shall be allowed to any person in respect of any computer software if the total of the allowances granted in the preceding years of assessment in respect of such computer software is equal to the cost of acquisition of such computer software.”.

7. Section 30 of the principal enactment as last amended by Act No. 52 of 1998 is hereby further amended in subsection (2) of that section as follows :—

- (1) in the third proviso to that subsection, by the substitution for the words and figures “any year of assessment commencing on or after April 1, 1989, but prior to March 31, 1997 and for the period commencing from March 31, 1997 to December 31, 1997”, of the words and figures “any year of assessment commencing on or after April 1, 1989” ;
- (2) in the fourth proviso to that subsection, by the substitution for the words and figures “any year of assessment commencing on or after April 1, 1989” of the words and figures “any year of assessment commencing on or after April 1, 1989, but prior to April 1, 1997 and for the period commencing from April 1, 1997 to December 31, 1997.”.

8. Section 31 of the principal enactment as last amended by Act No. 52 of 1998 is hereby further amended in subsection (6) of that section as follows :—

- (1) by the substitution, in paragraph (i) of that subsection for the words and letters “paragraph (b), (c), (m) or (n) of subsection (2)”, of the words and letters “paragraph (b), (c), (m), (n) or (s) of subsection (2)”;
- (2) by the substitution, in paragraph (ii) of that subsection, for the words and letters “paragraph (q) or (s)”, of the word and letter “paragraph (q)”.

9. Section 32DDD of the principal enactment inserted by Act No. 52 of 1998, is hereby further amended as follows :—

- (1) in subsection (1) of that section, by the substitution, for the words and figures from “Where the taxable income” to “the tax shall be computed as follows :—”, of the following :—

“ Where the taxable income of any person (other than any company)—

- (A) for the year of assessment commencing on April 1, 1998, includes any profits and income [within the meaning of section 3(a)] from any agricultural undertaking or any undertaking for the promotion of tourism ; or
- (B) for any year of assessment commencing on or after April 1, 1999, includes any profits and income [within the meaning of section 3(a)] from any agricultural undertaking, undertaking for the promotion of tourism or undertaking for construction work,

(hereinafter in this section referred to as “specified profits”) and the rate of income tax payable on a part of such income (hereinafter in this section referred to as “relevant part of income”) exceeds fifteen *per centum*, then in regard to the relevant part of income, tax shall be computed as follows :—”;

- (2) in subsection (2) of that section—

- (i) in the proviso to paragraph (c) of that subsection, by the substitution, for the words “profits arising from such deemed sale.”, of the words “profits arising from such deemed sale;”

(ii) by the addition immediately after paragraph (c) of that subsection of the following paragraph :—

“(d) undertaking for construction work means an undertaking carried on by a resident person for the construction of any—

(i) building;

(ii) roads or bridges ; or

(iii) water supply, drainage or sewerage systems.”.

10. Section 32DDDD of the principal enactment inserted by Act No. 52 of 1998, is hereby further amended as follows :—

(1) by the repeal of subsection (1) of that section and the substitution therefor of the following subsection :—

“(1) Where the taxable income of any company—

(a) for the year of assessment commencing on April 1, 1998, includes any profits and income [within the meaning of section 3(a)] from any agricultural undertaking or

any undertaking for the promotion of tourism;

(b) for any year of assessment commencing on or after April 1, 1999, includes any profits and income [within the meaning of section 3(a)] from any agricultural undertaking or

any undertaking for the promotion of tourism, or any undertaking for construction work,

such part of such taxable income as consists of such profits and income shall, notwithstanding anything to the contrary in any other provision of this Chapter, Chapter VIII A or Chapter IX, be chargeable with income tax at the rate of fifteen *per centum*”; and

(2) in subsection (2) of that section by the substitution, for the words “the profits and income from any agricultural undertaking shall”, of the words “the profits and income from any agricultural undertaking and undertaking for construction work shall”.

11. Section 32EEEE of the principal enactment is hereby amended in subsection (3) of that section by the substitution, for the words and figures “shall apply to that company for the year of assessment commencing on April 1, 1997”, of the words and figures “shall apply to that company for the year of assessment commencing on April 1, 1997”.

12. Section 32EEEE of the principal enactment is hereby amended in paragraph (b) of subsection (3) of that section by the substitution for all the words from “is not less than three hundred to the end of that paragraph of the following :—

“ is not less than three hundred,

the deduction referred to in subsection (1), shall apply to that company for the year of assessment commencing on April 1, 1997, as an amount equal to two and one half *per centum* of such part.”.

13. Section 113A of the principal enactment as last amended by Act No. 24 of 1997 is hereby further amended in paragraph (b) the definition of “interest”, of subsection (1) of that section by the insertion, immediately after item (ii) of that paragraph of the following item :—

“(iii) a bond, note, debenture, loan, stock or other security held by such person and which is quoted in any official list published by any stock exchange licensed by the Securities and Exchange Commission of Sri Lanka ;”.

14. The First Schedule to the principal enactment as last amended by Act No. 24 of 1997, is hereby further amended in Part IV of that Schedule as follows :—

(a) in paragraph (d) of that Part by the substitution for the words and figures “for any year of assessment commencing on or after April 1, 1997”, of the words and figures “for any year of assessment commencing on or after April 1, 1997 but prior to April 1, 1999.”;

(b) by the addition, immediately after paragraph (d) of that Part, of the following paragraph :—

“(e) for any year of assessment commencing on or after April 1, 1999—

On the first Rs. 500,000	Nil
On the next Rs. 150,000	5 per centum
On the next Rs. 150,000	10 per centum
On the balance	15 per centum.”.

15. (1) The amendments to section 14, section 15, section 32DDD, Section 32DDDD, section 113A and the First Schedule to the principal enactment made respectively by section 4, section 5, section 9, section 10, section 13 and section 14 of this Act shall be deemed for all purposes to have come into force on April 1, 1999.
- (2) The amendment to section 23 of the principal enactment made by the section 6 of this Act shall be deemed for all purposes to have come into force on April 1, 1998.
- (3) The amendment to section 30 of the principal enactment made by section 7 of this Act shall be deemed for all purposes to have come into force on January 1, 1998.
- (4) The amendment to section 31 of the principal enactment made by section 8 of this Act shall be deemed for all purposes to have come into force on November 6, 1997.
- (5) The amendment of section 8 of the principal enactment made by section 2(1)(c) of Act No. 52 of 1998 in relation to the Geological Survey and Mines Bureau established under the Mines and Minerals Act No. 33 of 1992, shall be deemed for all purposes to have come into force on March 18, 1993 notwithstanding anything to the contrary in the said Act.
16. In the event of any inconsistency between the Sinhala and the Tamil texts of this Act the Sinhala text shall prevail.

**APPROPRIATION (AMENDMENT) ACT, NO. 49 OF 1999**

[Certified on 10th December, 1999]

AN ACT TO AMEND THE APPROPRIATION ACT, NO. 61 OF 1998

1. This Act may be cited as the Appropriation (Amendment) Act, No. 49 of 1999.
2. Section 2 of the Appropriation Act, No. 61 of 1998, is hereby amended in paragraph (b) of subsection (1) of that section, by the substitution for the words "the aggregate of such proceeds does not exceed rupees ninety seven thousand twenty seven million" of the words "the aggregate of such proceeds does not exceed rupees one hundred and seventeen thousand twenty seven million".
3. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.