

Companies Act, No. 07 of 2007

[Certified on 20th March, 2007]

L.D. — O. 44/2005

AN ACT TO AMEND AND CONSOLIDATE THE LAW RELATING TO
COMPANIES

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

1. (1) This Act may be cited as the Companies Act, No. 07
of 2007. Short title and
date of
operation.

(2) The provisions of this Act shall come into operation
on such date (hereinafter referred to as the “appointed date”)
as the Minister may appoint, by Order published in the
Gazette.

PART I

INCORPORATION OF COMPANIES AND RELATED MATTERS

ESSENTIAL CHARACTERISTICS OF COMPANIES

2. (1) A company incorporated under this Act shall, by
the name by which it is registered from time to time, be a
body corporate. Legal status and
capacity of a
company.

(2) A company shall have, both within and outside Sri
Lanka—

- (a) subject to the provisions of section 13 of the Act,
the capacity to carry on or undertake any business
or activity, do any act or enter into any transaction ;
and
- (b) subject to the provisions of any written law of Sri
Lanka or of any other country, all the rights, powers
and privileges necessary for the purposes of
paragraph (a).

Different types
of companies.

3. (1) A company incorporated under this Act may be either—

- (a) a company that issues shares, the holders of which have the liability to contribute to the assets of the company, if any, specified in the company's articles as attaching to those shares (in this Act referred to as a "limited company") ; or
- (b) a company that issues shares, the holders of which have an unlimited liability to contribute to the assets of the company under its articles (in this Act referred to as an "unlimited company") ; or
- (c) a company that does not issue shares, the members of which undertake to contribute to the assets of the company in the event of its being put into liquidation, in an amount specified in the company's articles (in this Act referred to as a "company limited by guarantee").

(2) Where a limited company is incorporated as a private company or as an off-shore company, the provisions of Part II or Part XI shall apply respectively, to such a company.

INCORPORATION OF COMPANIES

Method of
incorporating a
company.

4. (1) Subject to the provisions of subsection (2), any person or persons may apply to incorporate a company, other than a company limited by guarantee, by making an application for the same to the Registrar in the prescribed form signed by each of the initial shareholders, together with the following documents :-

- (a) a declaration stating that to the best of such person or persons knowledge, the name of the company is not identical or similar to that of an existing company ;