

120      *Securities and Exchange Commission of  
Sri Lanka Act, No. 19 of 2021*

- (c) such sums of money that are recovered, as reimbursements for costs incurred in carrying out investigations and institution of legal proceedings in respect of contraventions under the provisions of this Act;
- (d) all such sums of money as may be received by the Commission by way of donations, gifts or grants from the Consolidated Fund, the Government or a foreign Government, State Agencies and from multilateral and bilateral agencies whether within or outside Sri Lanka; and
- (e) such sums of money as may be credited from the Cess Fund.

(3) There shall be paid out of the Fund all such sums of money required to defray the expenditure incurred by the Commission in the exercise, discharge and performance of its powers, functions and duties.

(4) Monies belonging to the Fund of the Commission may be invested by the Commission in such manner as may be determined by the Commission.

## CHAPTER 2

### FUND TO PROVIDE COMPENSATION TO INVESTORS

Compensation  
Fund

**158.** (1) There shall be established a fund called the “Compensation Fund,” by the Commission for the purpose of granting limited compensation to any investor who suffers pecuniary loss as a result of any licensed stock broker or stock dealer being found by the Commission as being incapable of meeting its contractual obligations.

(2) The Compensation Fund shall consist of -

- (a) such sums of money as may be voted upon by Parliament;

- (b) such sums of money as may be credited to the fund under the provisions of this Act; and
- (c) such sums of money as may be credited from the Cess Fund as approved by the Commission.

(3) Monies belonging to the Compensation Fund may be invested by the Commission in such manner as may be determined by the Commission.

**159.** (1) The Commission shall appoint from amongst the members of the Commission, three members who shall comprise the Compensation Committee (hereinafter referred to as the “Committee”) of the Commission.

Appointment of  
a Compensation  
Committee

(2) The Committee appointed under subsection (1) shall be responsible for assessing and awarding compensation in respect of any application made under section 162 and the decision of such Committee on any such assessment or award shall be final and conclusive for the purpose of this Act.

**160.** (1) Any investor who has suffered pecuniary loss as a result of any licensed stock broker or stock dealer being found incapable of meeting his contractual obligation towards such investor may make an application to the Committee in the specified form claiming compensation from the Compensation Fund.

Application for  
compensation

(2) The Committee may from time to time, require an applicant to produce any document or other evidence in support of the claim of the applicant for compensation. Where the applicant fails to comply with such request, the Committee may disallow the claim of the applicant.

(3) If at any time the Committee considers it necessary so to do, it may hold an inquiry into the claim of the applicant and shall by notice in writing, inform the applicant to be present on such date, and at such time and place as may be specified in the notice. Where the applicant fails to appear for such inquiry on the date set out in the notice, the Committee may disallow the claim of the applicant.

Payment of  
compensation

**161.** (1) The Committee may, after examination of the documents and other evidence produced in support of the claim by an applicant or in any case where an inquiry was held on the conclusion of such inquiry allow or disallow such claim for compensation.

(2) Where the Committee allows any claim it shall make an assessment of the limited compensation payable and shall make an award in relation thereto. Notice of such award shall be given in writing to the applicant.

### CHAPTER 3

#### FINANCIAL YEAR AND AUDIT OF ACCOUNTS

Financial Year

**162.** The financial year of the Commission shall be the period of twelve months commencing on the first day of January each year.

Audit of  
Accounts

**163.** (1) The Commission shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other transactions of the Commission.

(2) The provisions of Article 154 of the Constitution relating to the audit of accounts of public corporations shall apply to the audit of the accounts of the Commission.

### PART VII

#### General

Object and  
purpose of this  
Part

**164.** The object and purpose of this Part shall be to ensure effective implementation of provisions in this Act relating to production of documents, disclosure of information, establishment of a Complaints Resolution Committee, conducting inquiries and investigations, sharing of information and the protection of whistleblowers.