

**PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF**   
**SRI LANKA**

**ECONOMIC TRANSFORMATION**

**ACT, No. 45 OF 2024**

**[Certified on 09th of August, 2024]**

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*Act, No. 45 of 2024*

[Certified on 09th of August, 2024]

L.D.—O. 21/2024

AN ACTTOPROVIDEFORTHE NATIONAL POLICYON ECONOMIC TRANSFORMATIONANDFORTHEESTABLISHMENTOFTHE ECONOMIC COMMISSION OF SRI LANKA, INVESTMENT ZONES SRI LANKA, OFFICE FOR INTERNATIONAL TRADE, NATIONAL PRODUCTIVITY COMMISSION, AND SRI LANKA INSTITUTEOF ECONOMICSAND INTERNATIONAL TRADE; FORTHEREPEALOFTHE BOARDOF INVESTMENTOF SRI LANKA LAW, NO. 4 OF 1978 ANDFORMATTERSCONNECTED

THEREWITHOR INCIDENTALTHERETO.

WHEREAS the global economic landscape is rapidly Preamble

evolving, characterised by technological advancements, shifting demographics, and emerging environmental challenges:

AND WHEREAS acknowledging the interconnectedness of national economies and the importance of international cooperation in addressing shared economic challenges:

AND WHEREAS economic transformation is vital for fostering sustainable development, enhancing prosperity, boosting productivity,promoting social progress and ensuring equitable opportunities for all citizens:

AND WHEREAS understanding the role of the Government of Sri Lanka in creating an enabling environment for economic transformation, including through targeted interventions, investment in infrastructure, and the provision of essential public services:

AND WHEREAS acknowledging the crucial role of investment in driving economic growth, creating employment opportunities, and fostering innovation and technological advancement:

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AND WHEREAS affirming Sri Lanka’s commitment to fostering a transparent, inclusive, and rules-based system that promotes fair and equitable treatment of investors, both domestic and foreign:

AND WHEREAS recognizing the significance of international trade as a catalyst for economic development, promoting competitiveness, and facilitating the integration of economies into the global marketplace:

AND WHEREAS understanding the imperative need to enact legislation that provides a conducive environment for investment, expanded trade opportunities, negotiates trade agreements, and facilitates export-import activities to stimulate economic growth:

AND WHEREAS reaffirming Sri Lanka’s commitment to international cooperation and collaboration to address global challenges and harness opportunities for mutual benefit:

AND WHEREASconsidering the objectives of the Democratic Socialist Society as provided in subparagraphs (*c*) and (*d*) of paragraph (2) of Article 27 of the Constitution:

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

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| Short title and date of  operation | **1.** (1) This Act may be cited as the Economic Transformation Act, No. 45 of 2024. |

(2) The provisions of this Act other than the provisions of Part II, Part III and section 193 shall come into operation on the date on which certificate of the Speaker is endorsed in respect of this Act in terms of Article 79 of the Constitution.

(3) The provisions of Part II, Part III and section 193

shall come into operation on such date as the Minister may

appoint by Order published in *Gazette*, which shall be a date

within three months from date of the certificate of the Speaker

referred to in subsection (2) (hereinafter referred to as the

“appointed date”).

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PART I

**CHAPTER I**

NATIONAL POLICYON ECONOMIC TRANSFORMATION

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| **2.** The objects of the National Policy on Economic Transformation shall be- | | Objects of the  National Policy on Economic  Transformation |
| (*a*) | to make realisation by all citizens of an adequate |

standard of living for themselves and their families,   
including adequate food, clothing and housing, the   
continuous improvement of living conditions and   
the full enjoyment of leisure and social and cultural   
opportunities;

(*b*) to create rapid development of the whole country   
 by means of public and private economic activity   
 and by laws prescribing such planning and controls   
 as may be expedient for directing and coordinating   
 such public and private economic activity towards   
 social objectives and the public weal; and

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| (*c*) | to avoid an economic crisis**.** | National Policy on Economic  Transformation |
| **3.** (1) The National Policy on Economic Transformation shall provide for– | |
| (*a*) | the restructuring of the debt owed by the |

Government, that the-

(i) Public Debt to Gross Domestic Production   
 ratio shall be below ninety-five *per centum*   
 by the year 2032 and thereafter;

(ii) Central Government Annual Gross Financing

Needs to Gross Domestic Production ratio

shall be below thirteen *per centum* by the

year 2032 and thereafter; and

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(iii) Central Government Annual Debt Service in   
 Foreign Currency to Gross Domestic   
 Production ratio shall be below four decimal   
 half *per centum* by the year 2027 and   
 thereafter; and

(*b*) the transformation of Sri Lanka to a highly   
competitive, export-oriented, digital economy   
including-

(i) diversification and deep structural changes   
 of the national economy to boost   
 competitiveness;

(ii) achieving Net Zero by the year2050;

(iii) increasing integration with the global   
 economy;

(iv) achieving stable macroeconomic balances   
 and sustainable debt;

(v) modernize agriculture to boost farmer   
 productivity, farmer incomes, and agriculture   
 exports; and

(vi) promote inclusive economic growth and   
 social progress.

(2) For the purpose of this section, “Net zero” means the balance between the amount of greenhouse gas that is produced in Sri Lanka and the amount that is removed from the atmosphere.

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| **4.** It shall be the duty of the Cabinet of Ministers charged with the direction and control of the Government of Sri Lanka under Article 43 of the Constitution, to base the National Policy on Economic Transformation on the following targets: - | | | Duty of the  Cabinet of  Ministers in  relation to the National Policy on Economic  Transformation |
| (*a*) | Gross Domestic Productiongrowth to reach- | |
| (i) | | five *per centum* annually by the year 2027; |

and

(ii) above five *per centum* annually thereafter;

*Explanation*

The year 2027 will mark five years since the beginning of   
the crisis. Sri Lanka’s positive recovery shall enshrine a   
full economic recovery by the year 2027. The economic   
growth shall be accelerated to above five *per centum* after   
the year 2030 to achieve an Advanced Economy status by   
the year 2048.

(*b*) unemployment to reach below five *per centum* of   
 the labour force from the year 2025;

*Explanation*

Unemployment rates in Sri Lanka have typically been low   
and a target rate of five *per centum* locks this in.

(*c*) Female Labour Force Participation to reach-

(i) not less than forty *per centum* by the year   
 2030; and

(ii) not less than fifty *per centum* by the year   
 2040;

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*Explanation*

Measures to increase Female Labour Force Participation

may significantly increase labour productivity and growth

in the economy.

(*d*) current account deficit of the balance of payments

shall not exceed one *per centum* of Gross Domestic

Production annually;

*Explanation*

Persistent current account surpluses may help Sri Lanka

manage its external debt service obligations on a sustainable

basis. However, in case of a current account deficit in a

given year, this deficit shall be limited to less than one *per*

*centum* of Gross Domestic Production.

(*e*) exports of goods and services as a percentage of

Gross Domestic Production to reach-

(i) not less than twenty-five *per centum* of Gross

Domestic Production by the year 2025;

(ii) not less than forty *per centum* of Gross

Domestic Production by the year 2030; and

(iii) sixty *per centum* of Gross Domestic

Production by the year 2040;

*Explanation*

A target of forty *per centum* of Gross Domestic Production

by the year 2030 is needed to convert Sri Lanka from an

inward-oriented economy to an outward-oriented

economy.

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(*f*) Net Foreign Direct Investment as a percentage of   
 Gross Domestic Production to reach-

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| (i)  (ii) | not less than five *per centum* of Gross Domestic Production by the year 2030; and  at least forty *per centum* of Net Foreign Direct Investment to be in exports of goods or exports of services by the year 2030; |

*Explanation*

Shift to export-oriented Foreign Direct Investment in order   
to support the growth of non-debt creating inflows to the   
economy.

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| (*g*) | Primary Balance in the Government Budget to reach two decimal three *per centum* of Gross Domestic Production until the year 2032 and at least two *per centum* of Gross Domestic Production from the year 2032 onwards; |

*Explanation*

In order to prevent the recurrence of such an economic   
crisis, it is essential to ensure that a primary surplus of at   
least two *per centum* of Gross Domestic Production is   
maintained in the Government budget.

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| (*h*) | Government revenue to reach at least fifteen *per centum* of the Gross Domestic Production beyond the year 2027; and |

*Explanation*

To maintain robust domestic resource mobilization.

(*i*) multi–dimensional poverty headcount ratio to be   
 less thanfifteen *per centum* by the year 2027 and   
 less than ten *per centum* by the year 2035.

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*Explanation*

The reduction of multi-dimensional poverty (including

education, health, housing and access to basic services) to

promote inclusive growth through economic transformation.

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| Cabinet of  Ministers to  prepare a report on the policy  framework and  strategies | **5.** (1) The President shall, commencing from the year 2025, ensure that every five years, the Cabinet of Ministers shall prepare and present to Parliament a report on the policy framework and strategies (including proposed legislation) to give effect to the National Policy on Economic |

Transformation as set out in sections 3 and 4.

(2) The Cabinet of Ministers may from time to timerevise such report and present such revisions to Parliament.

(3) Such report shall be presented to Parliament by the Minister assigned the subject of Economic Policy, in accordance with the Standing Orders and the first report shall be presented to Parliament in the year 2025.

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| Policies of  Government to conform to  National Policy | **6.** All policies, programmes, regulations, circulars and directives of the Government shall conform to such National Policy on Economic Transformation. |

on Economic   
Transformation

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| Commitment to achieving the  key targets of  the policy and  remedial  measures for  any deviation  from the targets | **7.** (1) The Government shall, through the Minister assigned the subject of Economic Policy, present to Parliament by thirty first day of March each year the measures being taken towards achieving each target of the National Policy on Economic Transformation. The first such report shall be presented to Parliament immediately after the expiry |

of one year from the date of commencement of this Part.

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(2) Where the target has not been met, the Government shall inform Parliament of the measures being taken to remedy the situation and indicate when the target will be met. The remedial measures shall reflect a firm commitment and comprehensive strategy to meet the targets, which shall be a binding condition.

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| **8.** Parliament, in the exercise of its powers under Article 43 and Article 148 of the Constitution, shall have the oversight control over the Cabinet of Ministers in the | Oversight  control of  Parliament |

execution of its powers and responsibilities under this Act.

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| **9.** The following agencies shall assist the Government in achieving the objects of rapid growth for the national economic transformation- | | Agencies to  assist the  Government |
| (*a*) | Economic Commission established bysection 11; |
| (*b*) | Zones SL established by section 61; |
| (*c*) | Office for International Trade established by |

section 99;

(*d*) National Productivity Commission established by   
 section 132; and

(*e*) Sri Lanka Institute of Economics and International   
Trade established by section 162.

PART II

**CHAPTER II**

APPLICATIONOFTHIS PART

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| **10.** (1) The provisions of this Part shall apply to investments and international trade of Sri Lanka. | Application of this Part |

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(2) The provisions of this Part shall not apply to the Colombo Port City Special Economic Zone established under section 2 of the Colombo Port City Economic Commission Act, No. 11 of 2021.

**CHAPTER III**

ESTABLISHMENTOFTHE ECONOMIC COMMISSIONOF SRI LANKA

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| Establishment of the Economic  Commission of  Sri Lanka | **11.** (1) There shall be established a Commission which shall becalled the Economic Commission of Sri Lanka (in this Act referred to as the “Economic Commission”). |

(2) The Economic Commission shall, by the name assigned to it under subsection (1), be a body corporate with perpetual succession and a common seal and may sue and be sued in such name.

(3) The Commission shall have its principal office in Sri Lanka and may establish any branch office or other representation within or outside Sri Lanka.

Objects of the **12.** The objects of the Economic Commission shall be-Economic

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| Commission | (*a*) | tocontribute to the creation and maintenance of a |

robust investment climate, the promotion and   
facilitation of sustainable foreign direct investment   
which will stimulate international trade by the   
increase of exports and increase employment   
opportunities for the citizens of Sri Lanka;

(*b*) to evaluate the need for Investment Zones in Sri   
Lanka, and provide guidance and regulatory   
oversight for the operation and management of such   
Investment Zones to the Zones SL or any other   
entity established by or under Part III;

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(*c*) topromote and enable the ease of doing business   
 for investors, investments and exporters;

(*d*) todetermine the investments which are of strategic   
 importance which include significant inflows of   
 foreign exchange into Sri Lanka by way of foreign   
 direct investment, the export of goods and services,   
 and large-scale employment within Sri Lanka, and   
 which result in significant benefits to the overall   
 development of the economy;

(*e*) toreview and recommend incentives to the Minister   
 for the promotion of investments which are   
 determined by the Economic Commission under   
 paragraph (*d*) to be of strategic importance;

(*f*) tofacilitate a smooth and efficient process for   
 enabling investments;

(*g*) to expand and strengthen Sri Lanka’s economy by   
 facilitating investments and formulating policies   
 which will stimulate international trade by the   
 increase of exports, thereby diversifying the sources   
 of foreign exchange and increase of export earnings   
 and to recommend such policies to the Cabinet of   
 Ministers; and

(*h*) toencourage and foster the establishment and   
 development of industrial and commercial   
 enterprises within Sri Lanka.

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| **13.** The Economic Commission shall, in the performance and discharge of its duties andfunctions exercise the following powers: - | Powers of the Economic  Commission |

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(*a*) to recommend the declaration of Investment Zones   
to the Minister;

(*b*) to formulate, oversee, and direct the implementation   
of reforms required for improving the investment   
climate;

(*c*) to review policies, laws and regulations relating to   
 investments, international trade and exports, and   
 to advise the Minister on measures that are   
 considered necessary to facilitate the attainment of   
 the objects of the Economic Commission by the   
 issuance or amendment of laws and regulations;

(*d*) to take all necessary measures to promote domestic   
and foreign investments and international trade to   
achieve greater export-orientated growth, economic   
diversification and technological advancement;

(*e*) to enter into agreements with or engage in any   
 activity in furtherance of its duties and functions,   
 either alone or in conjunction with other   
 governmental or regulatory institutions or   
 international agencies or organizations, handling   
 matters related to investment and trade;

(*f*) to enter into contracts with any person as may be   
 necessary in the exercise, performance and   
 discharge of its powers, duties and functions;

(*g*) to approve or register, as the case may be,   
investments or enterprises as provided for in this   
Part;

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(*h*) to establish or create entities, including separate   
 legal entities incorporated under the Companies   
 Act, No. 07 of 2007, as may be necessary to attain   
 the objects of the Economic Commission, to carry   
 out any of the duties and functions of the Economic   
 Commission;

(*i*) to delegate or assign such powers, duties or   
 functions subject to such terms and conditions, to   
 such entities created under paragraph (*h*), as the   
 Economic Commission may determine;

(*j*) to give special or general directives to any entity   
 created by the Economic Commission for the   
 purpose of discharging its objects and functions;

(*k*) to appoint advisory committees to assist the   
 Economic Commission in fulfilling its mandate;

(*l*) to recognize certification and certifying bodies in   
 relation to investment and international trade;

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| (*m*) | to determine an amount up to ten *per centum* of the fees charged by the Zones SL to issue any licence |

under Part III, to be credited to the EC Fund;

(*n*) topurchase,or take and hold any property, movable   
 or immovable, which may become vested in it and   
 to sell, mortgage, lease, convey, devise, assign,   
 exchange or dispose of any such movable or   
 immovable property;

(*o*) to purchase, hold and sell shares, stocks, debentures   
 and similar assets;

(*p*) to employ such officers and staff including   
 consultants and advisors subject to such terms and   
 conditions as the Economic Commission may

consider appropriate to enable it to discharge its

functions under this Part;

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(*q*) to invest its funds in such manner as the Economic   
Commission may deem necessary including the   
opening, operation and closing of bank accounts;

(*r*) to make rules and issue guidelines in respect of   
 matters under this Part; and

(*s*) to do any other acts as may be necessary or   
conducive to the attainment of the objects of the   
Economic Commission under this Part.

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| Duties and  Functions of the Economic | **14.** The duties and functions of the Economic Commission shall be- |

Commission   
 (*a*) to design, recommend and implement national policies regarding investments, and the stimulation of international trade to achieve national economic milestones;

(*b*) to formulate schemes and measures to ensure that   
existing investors are encouraged to retain, reinvest   
and expand their investments in Sri Lanka;

(*c*) totake necessary measures to facilitate investments   
 by streamlining, digitizing and creating a   
 transparent regulatory and operational environment   
 including a process for the registration and approval   
 of investments;

(*d*) to take necessary measures to ensure that trade   
negotiations will be directly aligned with Sri   
Lanka’s strategic export and investment objects and   
reap the expected benefits of the trade-investment   
nexus;

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(*e*) to propose strategic policy actions that may be   
 required to attract and stimulate transformational   
 investments to the Minister;

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| (*f*) | to recommend the creation of Investment Zones; | Minister to  declare  Investment  Zones |
| (*g*) | toundertake periodic performance reviews of |
| investments as well as the flow of investments into Investment Zones; | |
| (*h*) | to conduct research on the performance and |
| prospects of trade and investment to assist in the formulation of government policies; | |
| (*i*) | tocoordinate between government entities to meet |
| the objects of the Economic Commission; and | |
| (*j*) | to do all such other acts as may be necessary or |
| conducive to the attainment of any or all of the objects of the Economic Commission.  **15.** (1) The Minister shall, upon receipt of a recommendation under paragraph (*f*) of section 14 to declare an Investment Zone, with the approval of the Cabinet of Ministers, by Notice published in the *Gazette*, declare such Investment Zone by specifying- | |
| (*a*) | the metes and bounds of the land area which shall |
| fall within such Zone; and | |
| (*b*) | the sector in which such zone falls and whether it is |
| a single sector or multiple sector zone as referred to | |

in subsection (5).

(2) Where whole or part of Investment Zone is private land, the notice published under subsection (1) shall, in respect such private land, be deemed to be a notice published under section 2 of the Land Acquisition Act (Chapter 450) and provisions of that Act shall *mutatis mutandis* apply in relation to such private land.

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(3) The President may make or execute a grant or any other alienation or disposition of any State land within any Investment Zone to the Zones SL, subject to the condition that any such State land shall not be alienated for private use except to the developers, operators or enterprises or other body of persons established within such Investment Zone.

(4) Upon a grant, alienation or disposition made or executed under subsection (3), the Zone SL shall, subject to conditions specified therein, be responsible for the use of such land.

(5) An Investment Zone may be designated as a single sector or multiple sector zone and may include but not limited to-

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| (*a*)  (*b*)  (*c*)  (*d*)  (*e*)  (*f*)  (*g*) | industries; | | |
| information | communication | technology |
| enterprises;  science and technology enterprises;  high technology agricultural enterprises; tourist and recreational enterprises;  business service enterprises; or  livestock enterprises. | | |

(6) (*a*) Subject to the provisions of any other written law, a person shall not carry on the business of a zone developer, operator or enterprise or provide or maintain activities or facilities within a Zonewithout being registered with the Economic Commission or Zones SL, as the case may be,in accordance with the regulations made under Part II or Part III.

(*b*) A Zone shall be a designated geographical area where business enabling policies, integrated land uses and sector-appropriate on-site and off-site infrastructure and utilities shall be provided, or which has the potential to be developed,

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whether on a public, private-public partnership or private basis where any goods introduced and specified services provided are regarded, in so far as import duties and taxes are concerned as being outside the area that falls within the Customs Ordinance (Chapter 235), and wherein the benefits provided under this Partapply.

**CHAPTER IV**

ADMINISTRATIONAND MANAGEMENTOFTHE ECONOMIC COMMISSION

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| **16.** (1) The administration and management of the affairs of the Economic Commission shall be vested in a Board of Members (in this Part referred to as the “EC Board”). | Administration  and management of the Economic Commission |

(2) The EC Board shall, for the purpose of administering and managingthe affairs of the Economic Commission, exercise, perform and discharge the powers, duties and functions conferred or imposed on, or assigned to the Economic Commission by this Part.

(3) The EC Board shall consist of not more than ten members comprising of the following: -

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| (*a*) | the following *ex officio* members:- | |
| (i) | the Secretary to the Ministry of the Minister |
| assigned the subject of Finance or his nominee who shall be an officer not below the rank of Deputy Secretary to the Treasury; | |
| (ii) | the Secretary to the Ministry of the Minister |
| assigned the subject of Investment or his nominee who shall be an officer not below the rank of Additional Secretary; | |
| (iii) | the Chairperson of the Office for International |

Trade;

(iv) the Chairperson of the Zones SL; and

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(*b*) not more thansix persons appointed by the   
President (in this Part referred to as the “appointed   
members”) comprising of persons having   
knowledge, expertise and experience and national   
or international recognition in the fields of   
Economics, Investment, International Trade,   
Finance, Law, Information Technology, Logistics,   
Manufacturing or Business.

(4) The EC Board shall invite the persons designated by the Economic Commission or under any other law to head any authorities which may be designated by the Economic Commission or vested with the responsibility by any other law over Investment Zones and export promotion and development to attend meetings of the Economic Commission, provided that they shall not be entitled to a vote thereat.

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| Chairperson of the EC Board | **17.** (1) The President shall appoint one of the appointed members to be the Chairperson of the EC Board. |

(2) The Chairperson may resign from the office of the Chairperson by letter on that behalf addressed to the President and such resignation shall be effective from the date on which it is accepted in writing by the President.

(3) The President may for reasons assigned therefor remove the Chairperson from the office of Chairperson.

(4) Subject to the provisions of subsections (2) and (3) the term of office of the Chairperson shall be the period of his term of office as a member of the EC Board.

(5) Where the Chairperson is temporarily unable to perform the duties of his office due to ill health, other infirmity, absence from Sri Lanka for a period not less than three months or any other cause, the President may appoint any other appointed member to act as the Chairperson in addition to his normal duties.

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| **18.** A person shall be disqualified from being appointed or nominated or from continuing as a member of the EC Board if such person- | | Disqualifications for being a  member of the  EC Board |
| (*a*) | is, or becomes a Member of Parliament, or a Member |

of any Provincial Council or any local authority;

(*b*) is not or ceases to be a citizen of Sri Lanka;

(*c*) is under any law in force in Sri Lanka or any other   
 country, found or declared to be of unsound mind;

(*d*) is a person who, having been declared as insolvent   
 or bankrupt under any law in force in Sri Lanka or   
 any other country is an undischarged insolvent or   
 bankrupt;

(*e*) is serving or has served a sentence of imprisonment   
 imposed by a court of Sri Lanka or any other country;

(*f*) holds or enjoys any right or benefit under any   
 contract made by or on behalf of the Economic   
 Commission;

(*g*) has any financial or other interest direct or indirect   
 as is likely to affect prejudicially the exercise,   
 performance and discharge by such person of his   
 powers, duties and functions as a member of the EC   
 Board; or

(*h*) has been previously removed from office.

**19.** Every appointed memberof the EC Board shall, Term of office

unless such person vacates office earlier by death,

resignation or removal, hold office for a period of three years

from the date of appointment, and unless removed from office

shall be eligible for re-appointment for not more than one

further term, whether consecutive or otherwise.

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| Removal,  resignation etc.  of appointed  members | **20.** (1) Any appointed member of the EC Board may, at any time, resign from his office by letter in that behalf addressed to the President, and such resignation shall take |

effect from the date on which the resignation is accepted in writing by the President.

(2) The President may remove any appointed member of the EC Board, from office-

(*a*) by written notice, if such person becomes incapable   
of effectively performing the duties of office due to   
ill health or incapacitation; or

(*b*) being satisfied, upon consideration of   
representations made, that such person is guilty of   
fraud, grave misconduct or gross negligence, or   
being incapable of effectively discharging   
responsibilities vested on such person (including   
regular non-attendance of meetings) which warrants   
removal from office with immediate effect.

(3) An appointed member shall be disqualified from continuing as a member of the EC Board if such person absents himself from three consecutive meetings of the EC Board or one third of the meetings for any calendar year without being excused for such absence by the EC Board.

(4) In the event of the vacation of office by death, resignation or removal from office of any appointed member of the EC Board, the President shall, having regard to the provisions of sections 16 and 18, appoint another person to fill such vacancy. Such person shall hold office for the un-expired period of the term of office of the member whom he

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succeeds, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(5) Where any appointed member of the EC Board is temporarily unable to perform the duties of his office on account of ill health or any other cause, or if he is absent from Sri Lanka for a period not less than three months, the President shall, having regard to the provisions of sections 16 and 18, appoint any other person to act in place of such member during his absence.

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| **21.** (1) Any member of the EC Board who has a direct or indirect interest in any person, company, investment, export, | Conflicts of  interest |

trade or any other matter involving the exercise of discretion of the Economic Commission or its vote or direction, shall forthwith inform the Director General of the Economic Commission in writing of the nature and extent of such interest and such disclosure shall be duly recorded at meetings of the EC Board where such matters are discussed. Such member shall not participate at any meeting at which such matters are discussed or vote on any decision which directly or indirectly relates to such interest.

(2) If any member of the EC Board fails or neglects to declare a conflict of interest as set out in subsection (1), such member shall be subject to disqualification from being a member of the EC Board.

**22**. (1) The meetings of the EC Board shall be held at *Quorum* and the least once in three months or as is required for the purpose of meetings of the exercising, performing and discharging the powers, duties EC Board and functions conferred or imposed on, or assigned to the   
EC Board by this Part.

(2) The *quorum* for any meeting of the EC Board shall be five members.

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(3) A meeting of theECBoard may be held either-

(*a*) by the number of members who constitute the   
*quorum* being assembled at the place, date and time   
appointed for the meeting; or

(*b*) by means of audio-visual communication by which   
all members participating and constituting the   
*quorum* can simultaneously see and hear each   
participating member for the duration of the meeting.

(4) All questions for decision at any meeting of the EC Board shall be decided by the vote of the majority of members present and voting at such meeting. In the case of an equality of votes, the Chairperson shall, in addition to his vote, have a casting vote.

(5) The Chairperson, if present, shall preside at every meeting of the Board. In the absence of the Chairperson from any meeting of the EC Board, any member elected by the members present shall preside at such meeting of the EC Board.

(6) Subject to the preceding provisions of this section, the EC Board may regulate the procedure to be followed for the summoning and holding of meetings of the EC Board and the transaction of business at such meetings.

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| Acts or  proceedings of the EC Board deemed not to be invalid by  reason of any vacancy  Remuneration of the members of the EC Board | **23.** The EC Board may act notwithstanding any vacancy among its members, and any act or proceeding of the EC Board shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.  **24.** The Chairperson and the members of the EC Board shall be paid such remuneration in such manner and at such rates as may be determined by the Minister, with the |

concurrence of the Minister assigned the subject of Finance.

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| **25.** (1) The seal of the Economic Commission shall be as determined by theEC Board**.** | Seal of the  Economic  Commission |

(2) The seal of the Economic Commission –

(*a*) may be altered in such manner as may be determined   
 by the Economic Commission; and

(*b*) shall be in the custody of such person or persons as   
 the Economic Commission may determine from   
 time to.

(3) The seal of the Economic Commission shall not be affixed to any instrument or document except with the sanction of the EC Board and in the presence of the Chairperson and one other member of the EC Board who shall sign the instrument or document in token of their presence:

Provided however, where the Chairperson is unable to be present at the time when the seal of the Economic Commission is affixed to any instrument or document, any other member of the EC Board authorized in writing by the Chairperson on that behalf shall be competent to sign such instrument or document in accordance with the preceding provision of this subsection.

(4) The EC Board shall maintain a register of the instruments and documents to which the seal of the Economic Commission has been affixed.

**CHAPTER V**

DIRECTOR GENERALAND STAFFOFTHE ECONOMIC COMMISSION

**26.** (1) There shall be a Director General of the Economic Director General Commission (hereinafter referred to as the “EC Director

General”) appointed by the Minister on the recommendation

of the EC Board and who shall be the Chief Executive Officer

and Accounting Officer of the EconomicCommission.

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(2) The qualification and experience of the person who shall be appointed as the EC Director General and the terms and conditions of employment of the EC Director General shall be as prescribed by regulation.

(3) The EC Director General shall, subject to the general or special directions and control of the EC Board –

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| (*a*)  (*b*)  (*c*) | be charged with the administration of the affairs of the Economic Commission including the administration and control of the staff;  be responsible for the execution of all decisions of the EC Board; and  carry out all such functions as may be assigned to him by the EC Board. |

(4) The EC Director General shall be entitled to be present and speak at any meeting of the EC Board, but shall not be entitled to vote at such meeting.

(5) The EC Board may delegate such of its powers, duties and functions under this Part, as it may determine, either to the EC Director General or to any officer of the Economic Commission and the EC Director General or anyofficer of the Economic Commission shall exercise, perform and discharge such delegated powers, duties and functions subject to the direction and supervision of the Economic Commission.

(6) The EC Director General may, with the approval of the EC Board, delegate in writing to any administrative

unit or officer or employee of the Economic Commission,

such of the powers, duties or functions of the EC Director

General as may be considered necessary from time to time,

and any such administrative unit or officer or employee to

whom any such powers, duties or functions are delegated,

shall be responsible for the same, and shall exercise, perform

and discharge them subject to the direction and supervision

of the EC Board or the EC Director General.

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(7) The EC Director General shall be responsible and answerable to the EC Board in the exercise, performance and discharge of his powers, duties and functions under this Part.

(8) The Minister may, in consultation with the EC Board, and subject to the provisions of subsection (9), remove the EC Director General from office-

(*a*) if he becomes permanently incapable of performing   
 his duties;

(*b*) if he has done any act which, in the opinion of the   
 EC Board, is of a fraudulent or illegal character or   
 is prejudicial to the interests of the Economic   
 Commission; or

(*c*) if he has failed to comply with any directions issued   
 by the EC Board.

(9) Prior to being removed under subsection (8), the EC Director General shall be issued a notice in writing to show cause as to why he should not be removed from office and be given an opportunity of being heard against any allegations made against him.

(10) The office of the EC Director General shall become vacant upon the death, removal from office under subsection (8) or resignation by letter in that behalf addressed to the Minister by the holder of that office.

(11) If any vacancy occurs in the office of the EC Director General, the Minister may, in consultation with the EC Board, appoint an appointed member of the Board to exercise, perform and discharge the powers, duties and functions of the EC Director General until an appointment is made under subsection (1).

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(12) The EC Director General shall be paid such remuneration as may be determined by the EC Board in consultation with the Minister.

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| Staff of the  Economic  Commission | **27.** (1) The Economic Commission may create cadre positions and employ officers and employees as it considers necessary for the efficient discharge of its functions for the |

purposes of carrying out its duties and functions under the provisions of this Part.

(2) The EC Board may, in respect of the officers and employees employed under subsection (1) –

(*a*) determine the terms and conditions of employment   
of such officers and employees;

(*b*) fix the rates at which such officers and employees   
shall be remunerated in consultation with the   
Minister assigned the subject of Finance;

(*c*) exercise disciplinary control over or dismiss such   
 officers and employees; and

(*d*) implement a code of conduct which shall be   
applicable to such officers and employees.

(3) The EC Board may make rules in respect of all or any of the matters referred to in subsection (2).

(4) The Economic Commission shall promote and sponsor the training of technical personnel on the subjects of investment, trade and other related subjects and for this purpose, the Economic Commission shall be authorized to defray the costs of study, in Sri Lanka or abroad of such officers.

(5) The Economic Commission shall not appoint any

person to the staff of the Economic Commission, if such

person-

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(*a*) has been previously found guilty ofa crime or an   
 act of serious misconduct by a civil court or tribunal   
 or has been subject to proceedings for a regulatory,   
 code of conduct or related violation by a regulator   
 in Sri Lanka or abroad; or

(*b*) has committed a breach of the provisions of this   
 Part or regulations, rules or directives made   
 thereunder.

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| **28.** (1) At the request of the Economic Commission any officer in the public service may, with the consent of the officer and the Public Service Commission be temporarily appointed to the staff of the Economic Commission for such | Appointment of public officers to the staff of  the Economic  Commission |

period as may be determined by the Economic Commission or with like consent, be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Economic Commission, 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 such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Economic Commission, 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 such officer.

(4) Where the Economic Commission 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 with the Economic Commission by that person shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

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**CHAPTER VI**

FINANCE

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| Financial  management of the Economic  Commission | **29.** The EC Board shall be charged with the financial management of the Economic Commission and the due operation and management of the EC Fund established in |

terms of section 30.

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| Fund of the  Economic  Commission | **30.** (1) The Economic Commission shall have its own Fund (hereinafter referred to as the “EC Fund”). |

(2) There shall be paid into the EC Fund-

(*a*) all such sums of money as may be voted by   
Parliament for the use of the Economic Commission;

(*b*) all such sums of money as may be received by the   
Economic Commission through the exercise,   
performance and discharge of its powers, duties and   
functions either directly or through entities created   
by it under this Part;

(*c*) all such sums of money as may be paid as fees under   
 the provisions of this Part; and

(*d*) upto ten *per centum* of the fees charged by theZones   
SL to issue any licence under Part III, as may be   
determined by the Economic Commission under   
paragraph (*m*) of section 13**.**

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

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

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| **31.** (1) The financial year of the Economic Commission shall be the calendar year.  (2) The Economic Commission shall cause proper books of accounts to be kept of the income, expenditure, assets | Financial year and audit of  accounts of the Economic  Commission |

and liabilities and all other financial transactions of the Economic Commission.

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

(4) The EC Board shall submit the audited statement of accounts together with the auditor’s report to the Minister to be tabled in Parliament.

**CHAPTER VII**

NATIONAL POLICIESON INVESTMENT, INTERNATIONAL TRADEAND   
INVESTMENT ZONES

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| **32.** (1) The Economic Commission shall formulate and recommend to the Cabinet of Ministers the national policies on investment, international trade and investment zones, to enable the realization ofthe National Policy on Economic Transformation as specified insections 3 and 4, and forward the same to the President and the Minister. | National  policies on  investment,  international  trade and  investment  zones |

(2)The Minister shall,upon receipt of approvalfrom the Cabinet of Ministers cause such national policies on investment, international trade and investment zones to be published in the *Gazette* and tabled in Parliament for approval.

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(3) Upon receipt of approval from Parliament under subsection (2), the national policies as so approved shall be the national policies on investment, international trade, and investment zones.

(4) It shall be the duty of the Economic Commission and other related statutory bodies, Provincial Councils, Provincial Ministries, departments and any other local authorities to comply with the national policies on investment, international trade and investment zones.

(5) The Economic Commission shall ensure that it consults and coordinates with other agencies having responsibilities for substantive matters relating to the matters of investment and international trade in formulating the national policies on investment, international trade and investment zones.

CHAPTER VIII

ELIGIBILITYAND REGISTRATIONOF FOREIGN INVESTORS

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| Eligibility of  foreign investors and prohibitions and restrictions | **33.** (1) (*a*) Subject to the provision of subsection (1)(*c*), foreign investments shall be permitted into all sectors and regions of Sri Lanka. Foreign investors shall be permitted to own one hundred *per centum* of the shares in entities engaged |

in such sectors and regions, unless otherwise determined by way of regulations made under the provision of this Part or any other written law.

(*b*) Foreign direct investments into Sri Lanka may take any legal form recognized by the laws of Sri Lanka, including new investment into companies incorporated under the Companies Act, No. 07 of 2007 or as investments into existing local companies.

(*c*) A negative list containing sectors and industries which

are prohibited or restricted for foreign investors shall be

prescribed by regulations madeunder this Part.

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(2) Notwithstanding anything to the contrary contained herein, the Minister may with the approval of the Cabinet of Ministers introduce new entry requirements or restrictions for foreign investments into Sri Lanka by regulations made under this Part, if deemed necessary for reasons of national security, public emergency, public safety andenvironmental protection.

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| **34.** (1) Notwithstanding the provisions of section 33, foreign investors shall register their foreign investments with the Economic Commission as provided in this section to be | Registration of foreign  investments |

eligible for the protections afforded to foreign investors and investments in this Part.

(2) For avoidance of doubt, registration under subsection (1) does not exempt foreign investors and foreign investments made thereunder, from having to comply with and adhere to any other requirements or conditions that may be imposed by any other written law in force in Sri Lanka.

(3) Domestic investors shall be required to register their investments with the Economic Commission to obtain facilitation services under this Part and its implementing regulations.

**CHAPTER IX**

INVESTMENT GURANTEES

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| **35.** The provisions in this Part shall not apply to any bilateraland multilateralinvestment treaties or the investment chapters of any free trade agreements entered into by Sri Lanka with any sovereign state. | Provisions of  this Part not to  apply to bilateral and multilateral investment |

treaties &.c

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| **36.** (1) All investments established in Sri Lanka shall receive fair and equitable treatment and shall enjoy full protection and security. | Fair and  equitable  treatment |

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(2) For the purposes of this Part-

“fair and equitable treatment” means the   
obligation to not to deny justice, in any   
criminal, civil or administrative proceedings   
in accordance with due process and the laws   
of Sri Lanka; and

“full protection and security” means the provision   
of protection for physical security of   
investments as required under the laws of   
Sri Lanka.

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| National  treatment and  most favoured  nation treatment | **37.** (1) (*a*) Foreign investments and returns on investments of foreign investors shall be accorded treatment not less favourable than that accorded to domestic investors, in like circumstances, as regards acquisition, expansion, |

management, conduct, operation, and sale or other disposition of investments.

(*b*) For greater certainty “in like circumstances” shall be assessed based upon an objective assessment of all circumstances on a case-by-case basis, including the sector of investment, the location of the investment, the purpose of any act or measure complained of and the regulatory, governance or legal process generally applied in relation to the act or measure concerned. The assessment shall not be limited to or biased towards any one factor.

(2) A foreign investor shall not be discriminated in any form, in like circumstances, including but not limited to their citizenship, residency, religion, place of registration or the state of origin of the investment.

(3) The provisions of subsections (1) and (2) shall not be construed to oblige Sri Lanka to extend to the foreign investors and foreign investments, the benefit of any treatment, preference or privilege resulting from-

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| (*a*) | any existing or future customs, economic or | Payments  relating to a  foreign  investment to be freely  transferable |
| monetary union, free trade area or similar international agreements to which Sri Lanka is or may become a party in the future; | |
| (*b*) | any international agreement or arrangement or any |
| domestic regulation, wholly or partially related to taxation; | |
| (*c*) | any bilateral agreement in force or entered into in |
| the future; or | |
| (*d*) | any sectors or services that are exclusively reserved |
| to nationals in accordance with the laws of Sri Lanka.  **38.** (1) All payments relating to a foreign investment shall be freely transferable, into and out of Sri Lanka, in accordance with laws and regulations in force, without delay, and in freely convertible currency. Suchtransfers shall include, in particular- | |
| (*a*) | initial capital and additional amounts to maintain |
| or increase an investment; | |
| (*b*) | return of the investment invested; |
| (*c*) | payments made under a contract, including |
| repayments pursuant to a loan agreement, royalties, fees; | |
| (*d*) | proceeds from the sale or liquidation of all or any |
| part of an investment; | |
| (*e*) | payments of compensation under section 39; |
| (*f*) | payments arising out of the settlement of an |

investment dispute;and

(*g*) earning and other remuneration of personnel   
 engaged from aboard in connection with an   
 investment.

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(2) The transfers referred to in subsection (1) shall be subjected to any payments, dues, fees, levies or any other similar obligation that is due in terms of such laws or regulations. The amount permitted for transfer underthis section shall be the balance after deduction of the financial obligations referred to herein.

(3) The market rate of exchange published by the Central Bank of Sri Lanka prevailing on the date of transfer shall be applicable for the purpose of this section and in the absence of a market for foreign exchange, the rate to be used shall be the most recent exchange rate for the conversions of currencies into Special Drawing Rights.

(4) Without prejudice to the foregoing, the equitable, non-discriminatory and good faith actions and measures taken to temporarily restrict the transfer of funds, out of Sri Lanka, shallnot be interpreted to mean a violation of this section, in the occurrence of the following events:-

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| (*a*)  (*b*)  (*c*)  (*d*)  (*e*) | serious balance of payment difficulties;  if movements of capital will cause serious difficulties for macroeconomic management; bankruptcy, insolvency or the protection of the rights of the creditors;  the issuing, trading or dealing with securities;  criminal or penal offences and the recovery of the |

proceeds of crime; or

(*f*) ensuring the satisfaction of judgments in

adjudicatory proceedings.

(5) The duration of the restrictions relating to transfer of

payments stated in paragraphs (*a*) and (*b*) of subsection (4)

shall be applied only for a period that is absolutely necessary

to remedy the balance of payments situation.

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**39.** (1) No investment shall be expropriated or Expropriation nationalized or no measures shallbe taken having equivalent   
effect of nationalization or expropriation (hereinafter referred   
to as “expropriation”) except in the public interest-

(*a*) on a non-discriminatory basis;

(*b*) on the principle of proportionality;

(*c*) in accordance with due process of law; and

(*d*) accompanied by expeditiouspayment of adequate   
 and effective compensation.

(2) In the case of expropriation-

(*a*) compensation shall amount to fair market value of   
 the investment expropriated on the day before the   
 expropriation or impending expropriation takes   
 place or became publicly known, whichever is   
 earlier, and shall not reflect any change in value   
 occurring because the intended expropriation had   
 become publicly known earlier. Valuation criteria   
 shall be on the basis of going concern value, asset   
 value including declared tax value of tangible   
 property, and other criteria, as appropriate, to   
 determine fair market value;

(*b*) if the market value cannot be ascertained, the   
 compensation shall be determined in taking into   
 account all relevant factors and circumstances, such   
 as the capital invested, the nature and duration of   
 the investment, replacement and book value, in   
 accordance with fair market value as per   
 international standard of valuation;

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(*c*) compensation shall be paid without delay, be   
 effectively realizable and freely transferable.   
 Compensation shall be paid withinsix months from   
 the date of expropriation. Until the time   
 compensation is paid, the investment can continue   
 to operate.

(3) An investor affected by an expropriation shall have the right to prompt review of its case, including the valuation of its investment and the payment of compensation in accordance with the provisions of this section.

(4) Any non-discriminatory measures designed and applied to protect legitimate public welfare objectives, such as health, safety and the environment, shall not constitute expropriation or nationalisation, except in the circumstance when the impact of a measure or series of measures is so severe in light of its purpose that it appears manifestly excessive.

(5) In case of expropriations under the Land Acquisition Act (Chapter 450), the payment of compensation shall be in accordance with the provisions of that Act.

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| Pre- establishment  rights  Obligations of foreign  investors | **40.** For the avoidance of doubt, none of the provisions in sections 36, 37, 38 and 39 shall be deemed to grant pre-establishment rights to any foreign investor or investment.  **41.** (1) Foreign investors and their investments shall comply with all laws, regulations, administrative guidelines and policies in force in Sri Lanka, concerning the |

establishment, acquisition, management, operation and disposition of such investments.

(2) Foreign investors and their investments shall not, either prior to or after the establishment of an investment,

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offer, promise, or give any undue pecuniary advantage, gratification or gift whatsoever, whether directly or indirectly, to an official in charge of investment, to a public official or to any other person in a decision making capacity with regard to its investment, or offer an inducement or reward for doing or forbearing to do any official act or obtain or maintain other improper advantage nor shall be complicit in inciting, aiding, abetting or conspiring to commit such acts.

(3) Foreign investors and their investments shall comply with the laws, so long as they are applicable, concerning taxation, including timely payment of their tax liabilities.

(4) Foreign investors shall provide such information, when called upon to do so by the authorities concerning their investment, for purposes of decision making in relation to that investment or for statistical purposes.

(5) Foreign investors and their investments shall endeavour to voluntarily incorporate internationally recognized standards of corporate social responsibility in their practices and internal policies. These principles may address issues such as labour, the environment, human rights, community relations and anti-corruption.

**CHAPTER X**

TRANSPARENCYAND DISPUTE SETTLEMENT

**42.** (1) (*a*) The Economic Commission shall endeavour Transparency to publish all laws, regulations, orders, rules and where legally   
permissible, judgments and administrative rules on a single   
website to provide investors with easy access to such   
information and material.

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(*b*) Where possible, the Economic Commission may consult with and provide investors with an opportunity to make representations on proposed regulations, rules, directions or orders which affect their rights as investors.

(2) Where any administrative proceedings are initiated against any investor or investment, all the rights, procedures and due processes afforded to any citizen under the law in respect of such proceedings shall be afforded to the investor.

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| Prevention of  disputes between foreign investors and State | **43.** (1) The Economic Commission shall by itself or through its agencies, set up a Grievance Committee to which a foreign investor may refer any grievance arising from any |

dispute, difference, disagreement or any matter between the foreign investor and the State (relating to the foreign investment) for settlement through a consultative process. The Economic Commission shall, by way of rules made under this Part, formulate provisions for the composition and procedures for such purpose including stipulation of the responsibilities of the Grievance Committee.

(2) The Grievance Committee and the authorities shall make their best efforts to resolve foreign investors’ grievances amicably and in a consultative manner.

(3) The Grievance Committee may contact the parties in question and the competent administrative authorities to request clarifications, documents and answers to the inquiries it sees necessary, and it may draw on the diverse expertise and specializations available to theEconomic Commission and to other administrative authorities.

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| Dispute  settlement | **44**. (1) Investment disputes under this Partshall be settled promptly and amicably through consultations and |

negotiations between the parties.

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(2) Where an amicable solution cannot be reached, any investor shall have the right to use all other remedies under the laws of Sri Lanka:

Provided that, where the dispute relates to one between a foreign investor and the State, the parties may agree to seek settlement of disputes, through alternate dispute resolution mechanisms including *ad hoc* arbitration and institutional arbitration.

(3) If any award is made by a foreign arbitral tribunal, such award shall be recognized and enforceable in Sri Lanka in accordance with the laws of Sri Lanka including the Arbitration Act, No. 11 of 1995.

(4) For the purposes of this section, “parties” means the investor and any Government institution, an investor has dealings with in respect of his investment.

**CHAPTER XI**

INCENTIVES

**45.** The Economic Commission may recommend Incentives and incentives and exemptions from the laws specified in the exemptions

Schedule to this part to be granted to investments, from time to time. Such incentives and exemptions shall become applicable upon the Minister prescribing the same by regulations made under this Part:

Provided however, that investments shall remain eligible for all incentives and exemptions as may be generally provided under any other applicable law.

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**CHAPTER XII**

SPECIAL POWERSOFTHE ECONOMIC COMMISSION

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| Special powers  of the Economic Commission for expediting  approvals | **46.** (1) Where an investor that applies to the Economic Commission or an investment registered with the Economic Commission requires any approvals, authorizations or permits from Ministries, Government departments, agencies, |

corporations, regulatory authorities or bodies named by the Cabinet of Ministers on the recommendation of the Minister and prescribed by regulations made under this Part (hereinafter referred to as “Specified Institutions”) the Economic Commission shall be empowered to facilitate the procurement of such approvals, authorizations or permits.

(2) Where the Economic Commission makes an inquiry or request to any Specified Institution for an approval, authorization, or permit in terms of subsection (1), such Specified Institution shall be obliged to respond to such inquiry or request either consenting to or objecting to such inquiry or request within fifteen days of such inquiry or request being made. If the Specified Institution refuses to respond to such inquiry or denies such request, written reasons for such refusal or denial shall be provided in writing within such period of twenty one days of such inquiry or request.

(3) All Specified Institutions shall be required to collaborate with the Economic Commission to enable it to perform its functions and meet its objects.

(4) The Minister may, by regulations made under this Part, prescribe procedures for such collaboration, which shall be complied with by Specified Institutions in line with standing operating procedures on granting approvals for investment projects formulated by the Economic Commission through a consultative process.

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(5) If a Specified Institution refuses, denies or fails to respond to an inquiry or request as per the regulations made under subsection (1) or (4), the Economic Commission shall if deemed appropriate, refer such refusal, denial or failure to the Minister forthwith, who shall, within two weeeks refer the matter to the Cabinet of Ministers for appropriate action.

**47.** (1) The Economic Commission may call upon any Power to call for Government agency, local authority, body, authority or information

person to furnish information, details, documents and particulars as may be required by the Economic Commission in connection with or regarding any matters in relation to the discharge of its functions under this Part. Any Government agency, local authority, body, authority or person to which such a request is made shall be required to furnish such information to the Economic Commission without delay.

(2) The EconomicCommission shall have the power to coordinate with any government agency, local authority, body, authority or person to monitor the status of foreign investments in Sri Lanka.

**CHAPTER XIII**

ESTABLISHMENTOF INVEST SRI LANKA

**48.** (1) The Economic Commission shall establish an entity Establishment of which shall be called the “Invest Sri Lanka” to be Invest Sri Lanka

incorporated under the Companies Act, No. 07 of 2007.

(2) The Invest Sri Lanka shall be governed by a Board of Directors (hereinafter referred to as the “Invest SL Board”) consisting of not less than three and not more than five members appointed by the Economic Commission.

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(3) The Chairperson of the Invest SL Board shall be appointed by the Economic Commission from amongst the members of the Invest SL Board.

(4) (*a*) The Chief Executive Officer of Invest Sri Lanka shall be appointed by the Economic Commission who also shall be the Accounting Officer.

(*b*) The day-to-day management of Invest Sri Lanka shall be vested in the Chief Executive Officer and the Chief Executive Officer shall be responsible for implementing policies and programs and for managing staff and resources. The qualifications, remuneration, allowances and terms and conditions of employment of the Chief Executive Officer shall be as may be decided by the Invest SL Board from time to time.

(5) All expenses including salaries of the staff of Invest Sri Lanka shall be allocated by the Economic Commission.

(6) The Minister may, on the recommendation of the Economic Commission, make regulations as may be necessary from time to time to supplement the operational procedures for Invest Sri Lanka.

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| Powers of the  Invest SL Board | **49.** The Invest SL Board shall have the power- | |
| (*a*) | to request and obtain from any Government agency, |

local authority or any other body or authority or   
person any information, details, documents and   
particulars as may be required by Invest Sri Lanka   
in connection with or in relation to any investment,   
which such government agency, local authority or   
body or authority or person shall furnish to the Invest

SL Boardwithout any delay or default;

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(*b*) to coordinate with Government departments to track   
 and compile the status of significant projects of   
 foreign investments and economic development in   
 Sri Lanka;

(*c*) to appoint Advisory Councils as it deems fit to assist   
 it in the exercise, performance and discharge of its   
 powers, duties and functions;

(*d*) to appoint any committee consisting of such persons   
 as it may think fit and delegate such powers as it   
 may determine necessary. Every committee   
 appointed under this paragraph shall conform to   
 any directions that may, from time to time, be given   
 to it by the Invest SL Board and the said Invest SL   
 Board may at any time alter the constitution of any   
 committee so appointed or rescind any such   
 appointment;

(*e*) to appoint skilled persons, experts and consultants   
 as it deems necessary at competitive market rates as   
 it may consider necessary for the performance and   
 discharge of the duties and functions of Invest Sri   
 Lanka; and

(*f*) to generally do such other acts or things necessary   
 to perform and discharge the duties andfunctions   
 specified in section 50 and to promote and facilitate   
 investment opportunities in Sri Lanka.

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| **50.** The duties and functions of the Invest SL Board shall be- | | Duties and  functions of  Invest SL Board |
| (*a*) | to identify investment opportunities in Sri Lanka; |
| (*b*) | to promote Sri Lanka as an investment destination; |

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(*c*) to provide information and guidance to potential   
 investors on matters which shall include *inter alia*,   
 the investment climate, laws and regulations, and   
 business opportunities;

(*d*) to facilitate the establishment, retention and   
expansion of investments by providing assistance   
with regulatory approvals, permits and licences;

(*e*) to connect potential investors with local businesses   
 and partners;

(*f*) to represent the country’s interests in international   
 investment fora and conferences;

(*g*) to promote collaboration between the Government,   
the private sector, and the investment community;

(*h*) to implement national investment promotion   
strategies; and

(*i*) to coordinate with other Government agencies   
 which would be necessary for the purpose of   
 investment promotion.

**CHAPTER XIV**

GENERAL PROVISIONS

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| Members,  officers and  other employees of the Economic Commission  deemed to be  public servants | **51.** All members of the EC Board, EC Director General and the officers and other employees of the Economic Commission, all members of the Invest SL Board shall be deemed to be public servants within the meaning, and for the purposes of the Penal Code (Chapter 19). |

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| **52.** The Economic Commission shall be deemed to be a scheduled institution within the meaning of the Anti-Corruption Act, No. 9 of 2023, and the provisions of that Act shall be construed accordingly.  **53.** No civil or criminal proceedings shall be instituted against any members of the EC Board, EC Director General, officer or employee of the Economic Commission or any | Economic  Commission  deemed to be a scheduled  institution  Protection for action taken  under this Act |

member of the Invest SL Board, for any act which in good faith is done or purported to be done by him under this Act or on the directions of the Economic Commission or the EC Board, as the case may be, if he proves that he acted in good faith and exercised all due diligence, reasonable care and skill.

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| **54.** (1) Any expense incurred by the Economic Commission in any suit or prosecution brought by or against the Economic Commission before any Court, shall be paid out of the EC Fund and any costs paid to, or recovered by | Expenses in suit or prosecution  to be paid out of the EC Fund |

the Economic Commission in any such suit or prosecution shall be credited to the EC Fund.

(2) Any expense incurred by any member of the EC Board, EC Director General, officer or employee of the Economic Commission or any member of the Invest SL Board in any suit or prosecution brought against such person before any court or tribunal in respect of any act which is done or is purported to be done by such person under the provisions of this Act or on the direction of the Economic Commission shall, if the court holds that such act was done in good faith, be paid out of the EC, Fund unless such expense is recovered by such person in such suit or prosecution.

**55.** (1) The Minister may, in consultation with the EC Regulations

Board, make regulations in respect of all matters which are required by this Act to be prescribed or in respect of which regulations are authorized to be made.

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(2) In particular and without prejudice to the generality of the provisions contained in subsection (1), the Minister may, in consultation with the EC Board, make regulations in regard to –

(*a*) determine the scope and extent of any exemption   
or modification of any of the written laws set out in   
the Scheduleto this Part which may be required for   
the attainment of the objects of this Part especially   
for the promotion and facilitation of foreign direct   
investments;

(*b*) provide for any matter which is deemed necessary   
to implement the provisions of this Part including   
but not limited to-

(i) specifying the procedure for investment   
 promotion, facilitation and after care   
 activities through the creation of legal entities   
 and otherwise;

(ii) specifying the manner and procedure for the   
 goods and services to be brought into or   
 brought out of any declared investment zone,   
 licensed enterprises or registered enterprises;

(iii) specifying the procedure for the promotion   
 of international trade;

(iv) specifying the procedure for staff and all other   
 matters connected thereto in respect of section   
 48:

Provided however, regulations shall not   
be made under this section providing terms   
andconditions less favourable than the terms   
and conditions of employment to which the   
officers and employees of the BOI holding

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office on the day immediately preceding the   
appointed date were entitled;

(v) specifying the fees and charges to be levied   
 for any services provided under this Part;

(vi) specifying the categories and criteria of   
 registration and licensing under this Part;

(vii) allocation of such staff to the Economic   
 Commission and they shall be deemed to be   
 employed by the Economic Commission with   
 effect from the date of such regulation; and

(viii) require all foreign investments falling under   
 the repealed Board of Investment of Sri Lanka   
 Law, No. 4 of 1978 to register with the   
 Economic Commission within a period   
 specified in the regulations made under this   
 section.

(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 such regulation.

(4) Every regulation made under this section shall, within three months from the date of its publication in the *Gazette*, be placed before Parliament for approval. Every 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.

(5) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

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Rules **56.** (1) Subject to the provisions of this Part, the Economic Commission may make rules in respect of all matters which rules are authorized to be made under this Part.

(2) Every rule made by the Economic Commission shall be published in the *Gazette* and shall come into operation upon such publication.

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| Removal of  difficulties | **57.** (1) If any difficulty arises in giving effect to the provisions of this Part, the Minister may, in consultation |

with the EC Board**,** by Order published in the *Gazette*, make provisions which are not inconsistent with the provisions of this Part, or any other written law, as appears to the Minister to be necessary or expedient for removing the difficulty:

Provided that, no such Order shall be made after the expiry of a period of five years from the date of coming into operation of this Part.

(2) Every Order made under this section shall, within three months after it is made, be laid before Parliament for approval and such Order shall become operative only upon receipt of the approval therefor of Parliament.

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| This part to  prevail | **58.** In case of any inconsistency between the provisions of this Part and provisions of any other law relating to |

investments or the promotion of international trade or investment zones the provisions of this Part shall prevail.

Interpretation **59.** (1) In this Part, unless the context otherwise requires-

“foreign investment” means an investment made by   
a foreign investor as an investor in terms of this   
Part;

“foreign investor” means a natural person or an   
enterprise recognized as a legal entity by the   
applicable laws of a foreign country, that has made   
an investment in Sri Lanka in terms of this Part;

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“investor” means a natural person or an enterprise   
recognized as a legal entity by the applicable   
laws, that has made an investment in Sri Lanka in   
terms of this Part;

“investment” means every kind of asset that an   
investor owns or controls, directly or indirectly,   
that has the characteristics of an investment,   
which includes the commitment of capital or   
other resources fora certain duration, the   
expectation of gain or profit, or the assumption   
of risk including-

(*a*) an enterprise;

(*b*) shares, stock, and other forms of equity   
 participation in an enterprise other than   
 an investment made on a securities or   
 stock exchange;

(*c*) bonds, debentures, loans and other debt   
 instrumentsof an enterprise;

(*d*) turnkey, construction, management,   
 production, concession, revenue-  
 sharing and other similar contracts;

(*e*) claims to moneyor to other assets or to   
 any contractual performance having an   
 economic value associated with an   
 investment;

(*f*) intellectual property rights in   
 accordance with the relevant domestic   
 laws;

(*g*) licences, authorizations, permits and

similar rights conferred pursuant to

applicable domestic law; or

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(*h*) other tangible or intangible, movable   
 or immovable property, and related   
 property rights, such as leases,   
 mortgages, liens and pledges,

but does not include-

(i) an asset which lacks the   
 characteristics of an investment,   
 regardless of the form it may take;

(ii) a donation; and

(iii) an order or judgment entered in a   
 judicial or administrative action.

“Investment Zones” shall mean export processing zones, industrial parks, special economic zones and other similar areas for the establishment of investments, whether declared under this Part or any other law referred to in this enactment and shall include licensed zones as referred to in the repealed Law;

“registered enterprise” means an enterprise approved or registered as the case may be under paragraph (*h*) of section 13;

“return” means an amount yielded by or derived from an investment, including profits, dividends, interest, capital gains, royalty payments, payments in connection with intellectual property rights, and all other lawful income;

“Specified Institution” means any of the entities named by regulations made under section 46.

(2) For the purpose of this Part-

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(*a*) “loans and other debt instruments” and “claims to   
money or to any contractual performance”  
refer to assets which relate to a business   
activity associated with an investment and   
do not refer to assets which are of a personal   
nature, unrelated to any business activity   
associated with an investment;

(*b*) “claims to money” do not include-

(i) claims to money that arise solely from   
 commercial contracts for the sale of   
 goods or services;

(ii) the domestic financing of such   
 contracts; or

(iii) any order, judgment or arbitral award   
 related to sub paragraph (i) or (ii)**.**

**SCHEDULE**

(sections 45 and 55)

1. Customs Ordinance (Chapter 235)

2. Companies Act, No. 07 of 2007

3. Inland Revenue Act, No. 24 of 2017

4. Finance Act, No. 18 of 2021

5. Foreign Exchange Act, No. 12 of 2017

6. National Film Corporation of Sri Lanka Act, No. 47 of

1971

7. Merchant Shipping Act, No. 52 of 1971

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 8. Civil Aviation Act, No. 14 of 2010

9. Ceylon Electricity Board Act, No. 17 of 1969

10. National Water Supply and Drainage Board Law, No. 2 of

1974

11. Sri Lanka Ports Authority Act, No. 51 of 1979

12. Ceylon Petroleum Corporation Act, No. 28 of 1961

PART III   
**CHAPTER XV**   
APPLICATIONOFTHISPART

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| Application of this Part | **60.** (1) The provisions of this Part shall apply to investment zones in Sri Lanka. |

(2) The provisions of this Part shall not apply to the Colombo Port City Special Economic Zone established under section 2 of the Colombo Port City Economic Commission Act, No. 11 of 2021.

**CHAPTER XVI**   
ESTABLISHMENTOFTHE INVESTMENT ZONES SRI LANKA

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| Establishment of Investment  Zones Sri Lanka | **61.** (1) There shall be established an entity called the Investment Zones Sri Lanka (in this Act referred to as the“Zones SL”). |

(2) The Zones SL shall, by the name assigned to it under subsection (1), be a body corporate with perpetual succession and a common seal and may sue and be sued in such name.

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| **62.** (1) The Zones SL shall have its principal office in Sri Lanka and may establish any office or other representation within or outside Sri Lanka. | Principal office and the  departments  under the Zones |

SL (2) The Zones SL may establish such number of administrative units within the Zones SL as may be required for the efficient exercise, performance and discharge of its powers, duties and functions in terms of this Part.

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| **63.** (1) The Zones SL shall in the performance and discharge of its dutiesand functions, exercise the following | Powers of the Zones SL |

powers: -

(*a*) to conduct studies it deems necessary to decide on   
 the need for the creation or expansion of investment   
 zones;

(*b*) to make recommendations to the Economic   
 Commission on the need for or expansion of   
 investment zones;

(*c*) to operate and manage investment zones on behalf   
 of the Government of Sri Lanka in accordance with   
 the provisions of this Part and create the necessary   
 infrastructure containing state of the art facilities   
 for investments located therein including roads,   
 electric power, water supply, housing and such other   
 facilities and amenities as required and implement   
 such concessions and exercise such powers and   
 discharge such functions as delegated to it by the   
 Economic Commission under this Act;

(*d*) to carry out detailed studies for the economic   
 development projects through investment zones;

(*e*) to establish and enhance the cooperation between   
 inter agencies of every Ministry, department,   
 Provincial Council, Provincial Ministry and

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department and local authority and other persons   
or body of persons whether private or public in   
carrying out studies and implementation of   
investment zones and special development areas;

(*f*) to supervise and regulate the management of   
 investment zones;

(*g*) to make recommendations to the Minister on   
making regulations in relation to the supervision,   
regulation, operation or management ofthe   
investment zones;

(*h*) to cause to prepare an environmental impact   
assessment report in respect of any economic   
development projects, plans, programmes of   
schemes within the investment zones or special   
development areas;

(*i*) to make recommendations to the Minister on policy   
 matters on all aspects of declaration, approval or   
 establishment, operation, management, supervision   
 and regulation of investment zones declared and   
 managed under this Part;

(*j*) to ensure every investment zone maintains an   
 environment for promoting investments thereby   
 enhancing the employment opportunities;

(*k*) to hold shares in a public-private partnership entity   
 established for the purpose of developing and   
 managing the designated economic development   
 zone;

(*l*) to impose or levy a charge for the services rendered

by the ZonesSL within the designated investment   
zones;

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(*m*) to appoint investment zone developer for each investment zone declared under this Part and to develop and manage the acquired land and different type of infrastructure thereof;

(*n*) to allot land, building or site, on commercial basis   
 in prescribed manner, to investors applied for   
 establishing investment zones and service   
 providers in investment zones;

(*o*) to ensure infrastructure development of investment   
 zones within specified period through monitoring   
 of activities of its own and of economic zone   
 developers;

(*p*) to create opportunities for employment by   
 promoting local and foreign investment including   
 development of skilled labour force;

(*q*) to encourage more efficient management and   
 monitor programmes for implementing   
 commitments on environment and other matters;

(*r*) to purchase, take and hold any property, movable   
 or immovable, which may become vested in it and   
 to sell, mortgage, lease, convey, devise, assign,   
 exchange or dispose of any such movable or   
 immovable property;

(*s*) to enter into any agreements as it deems fit with   
 any party for the purpose of setting up the   
 investment zones or any part or facilities within   
 such investment zones;

(*t*) to enter into lease agreements with investors   
 approved for location within the investment zones;

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(*u*) to enter into sales, supply or lease or management   
agreements in respect of investment locations within   
investment zones;

(*v*) to enter into agreements with other institutions or   
 agencies to receive bulk supply, store, recoup or   
 regenerate all utilities, including electricity, water,   
 fuel and other energy sources and distribute to   
 entities located within a specific investment zone,   
 and charge for such utilities as appropriate, subject   
 to compliance with industry accepted safety and   
 environmental standards;

(*w*) to levy and recover any fees, charges or other payments in respect of lease, rents and other facilities provided by the Zones SL within the investment zones;

(*x*) to employ such officers and staff including consultants and advisors subject to such terms and conditions as the Zones SL may consider appropriate to enable it to discharge its functions under this Part;

(*y*) to invest its funds in such manner as the Zones SL   
 may deem necessary including the opening,   
 operation and closing of bank accounts;

(*z*) to receive grants, gifts or donations whether from   
local or foreign sources:

(*aa*) to give special or general directives to any persons or entity for the purpose of discharging its objects and functions as set out above;

(*ab*) to establish Special Purpose Vehicles at the zone level or by amalgamating several investment zones and also exit the investment if required to the private sector;

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(*ac***)**  to establish necessary social infrastructure developments including accommodation for workers within investment zones;

(*ad*) to appoint experts or consultants as deemed necessary, to discharge its functions prudently; and

(*ae*) to do any other acts as may be necessary or conducive to the attainment of the objects and discharge of functions of the Zones SL under this Part.

(2) Any land within any zone declared under subsection (1) of section 15 may be alienated or leased to any body-corporate for developing an investment zone to achieve the objects of the Zones SL and in accordance with any plans, programmes or schemes made under this Part.

(3) The Zones SL may, subject to any written law, undertake or approve the development, operation and maintenance and the financial assistance for appropriate infrastructure up to the perimeter of such designated investment zone.

(4) For the purpose of this section “Special Purpose Vehicles” means a company incorporated under the Companies Act, No. 07 of 2007.

**64.** The duties and functions of the Zones SL shall be- Duties and functions of the

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| (*a*) | to conduct studies on the need for investment zones | Zones SL |

to facilitate the national policies on investment,   
international trade, exports and investment zones   
formulated by the Economic Commission;

(*b*) to identify and select sites for the establishment of   
 investment zones;

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(*c*) torecommend such investment zones to the   
 Economic Commission for obtaining approval of   
 the Cabinet of Ministers to proceed with their   
 establishment;

(*d*) to manage and operate such investment zones   
whether directly or through any partnership, joint   
venture or management agreement or any other   
arrangement approved by the Economic   
Commission;

(*e*) toexercise any of the powers of granting approvals   
 and authorizations under the laws and regulations   
 as provided for herein;

(*f*) tocooperate with and liaise with any Governmental   
 authority as may be necessary for facilitating the   
 operations of and within the investment zones;and

(*g*) to do all such other acts as may be necessary or   
conducive to the attainment of any or all of the   
above objects.

**CHAPTER XVII**

ADMINISTRATIONAND MANAGEMENTOFTHE ZONES SL

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| Composition of the Zones SL  Board | **65.** (1) The administration andmanagement of the affairs of the Zones SL shall be vested in a Board (in this Part referred to as the “Zones SL Board”). |

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(2) The Zones SL Board shall, for the purpose of administering and managing the affairs of the Zones SL, exercise, perform and discharge the powers, duties and functions conferred, assigned or imposed on Zones SL, by this Part or delegated to it by the Economic Commission under Part II for the purpose of administering the affairs of the Zones SL.

(3) The Zones SL Board shall consist of not more than seven members comprising of -

(*a*) the following *ex officio* members: -

(i) the Secretary to the Ministry of the Minister   
 assigned the subject of Finance or his   
 nominee, who shall be an officer not below   
 the rank of a Deputy Secretary to the Ministry   
 of the Minister assigned the subjectof   
 Finance;

(ii) the Secretary to the Ministry of the Minister   
 or his nominee,who shall be an officer not   
 below the rank of a Deputy Secretary to the   
 Ministry of the Minister;

(iii) the Chairman of the Urban Development   
 Authority established under the Urban   
 Development Authority Law, No. 41 of 1978   
 or his nominee who shall be an officer not   
 below the rank of a Director General of a   
 Department of the Ministry of the Minister   
 assigned the subject of Finance; and

(iv) the Chief Executive Officer of the Economic   
 Commission; and

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(*b*) four persons having knowledge, expertise and experience and national or international recognition in the fields of either management, investment, finance, law, information technology, manufacturing or business, appointed by the Minister on the recommendation of the Economic Commission.

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| Chairperson of the Zones SL  Board | **66.** (1)The Minister shall, in consultation with the Economic Commission**,** appoint one of the appointed members to be the Chairperson of theZonesSL Board. |

(2) The Chairperson may resign from the office of the Chairperson by letter in that behalf addressed to the Minister and such resignation shall be effective from the date on which it is accepted in writing by the Minister.

(3) The Minister may, for reasons assigned therefor remove the Chairperson from the office of the Chairperson.

(4) Subject to the provisions of subsections (2) and (3), the term of office of the Chairperson shall be the period of his term of office as a member of the Zones SL Board.

(5) Where the Chairperson is temporarily unable to perform the duties of his office due to ill health, other infirmity, absence from Sri Lanka for a period not less than three months or any other cause, the Minister may appoint any other appointed member to act as the Chairperson, in addition to his normal duties.

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| Disqualifications for being a  member of the  Zones SL Board | **67.** A person appointed to the ZonesSL Board shall be disqualified from being appointed or nominated or from continuing as a member of the Zones SL Board if such person**-** | |
| (*a*) | is, or becomes a Member of Parliament, or a member |

of any Provincial Council or any local authority;

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(*b*) is not or ceases to be a citizen of Sri Lanka;

(*c*) is under any law in force in Sri Lanka or any other   
 country, found or declared to be of unsound mind;

(*d*) is a person who, having been declared as insolvent   
 or bankrupt under any law in force in Sri Lanka or   
 any other country is an undischarged insolvent or   
 bankrupt;

(*e*) is serving or has served a sentence of imprisonment   
 imposed by a court of Sri Lanka or any other country;

(*f*) holds or enjoys any right or benefit under any   
 contract made by or in behalf of theZonesSL;

(*g*) has any financial or other interest direct or indirect   
 as is likely to affect prejudicially the exercise,   
 performance and discharge by such person of his   
 powers, duties and functions as a member of the   
 ZonesSL Board; or

(*h*) has been previously removed from office.

**68.** Every appointed member of the Zones SL Board shall, Term of office unless such person vacates office earlier by death, resignation   
or removal, hold office for a period of three years from the   
date of appointment, and unless removed from office shall   
be eligible for re-appointment for not more than one further   
term, whether consecutive or otherwise.

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| **69.** (1) Any appointed member of the Zones SL Board may, at any time, resign from his office by letter in that behalf addressed to the Minister, and such resignation shall take effect from the date on which the resignation is accepted | Removal,  resignation &c.  of appointed  members |

in writing by the Minister.

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(2) The Minister may remove any appointed member of the Zones SL Board, from office-

(*a*) by written notice, if such person becomes incapable   
of effectively performing the duties of office due to   
ill health or incapacitation;or

(*b*) being satisfied, upon consideration of   
representations made, that such person is guilty of   
fraud, grave misconduct or gross negligence, or   
being incapable of effectively discharging   
responsibilities vested on such person (including   
regular non-attendance of meetings) which warrants   
removal from office with immediate effect.

(3) A member shall be disqualified from continuing as a member of the Zones SL Board if such person absents himself from three consecutive meetings of the Zones SL Board or one third of the meetings for any calendar year without being excused for such absence by the Zones SL Board.

(4) In the event of the vacation of office by death, resignation or removal from office of any appointed member of theZonesSL Board, the Minister shall, having regard to the provisions of sections 65 and 67, appoint another person to fill such vacancy. Such person shall hold office for the un-expired period of the term of office of the member whom he succeeds, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

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| Conflicts | of | **70.** (1) Any member of the Zones SL Board who has a |
| interest | direct or indirect interest in any person, company, investment |

or any other matter involving the exercise of discretion of the Zones SL Board or its vote or direction, shall forthwith inform the Chief Executive Officer of the Zones SL in writing of the nature and extent of such interest and such disclosure

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shall be duly recorded at meetings of the Zones SL Board where such matters are discussed. Such member shall not participate at any meeting at which such matters are discussed or vote on any decision which directly or indirectly relates to such interest.

(2) If any member of the Zones SL Board fails or neglects to declare a conflict of interest as set out in subsection (1), such member shall be subject to disqualification from being a member of the Zones SL Board.

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| **71.** (1) The meetings of the Zones SL Board shall be held at least once in three months or as is required for the purpose | Meeting  procedures |

of exercising, performing and discharging the powers, duties and functions conferred or imposed on, or assigned to the Zones SL Board by this Part.

(2) The *quorum* for any meeting of the Zones SL Board shall be five members.

(3) A meeting of theZones SLBoard may be held either-

(*a*) by the number of members who constitute the   
 *quorum* being assembled at the place, date and time   
 appointed for the meeting; or

(*b*) by means of audio-visual communication by which   
 all members participating and constituting the   
 *quorum* can simultaneously see and hear each   
 participating member for the duration of the meeting.

(4) All questions for decision at any meeting of the Zones SL Board shall be decided by the vote of the majority of members present and voting at such meeting. In the case of an equality of votes, the Chairperson shall, in addition to his vote, have a casting vote.

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(5) The Chairperson, if present, shall preside at every meeting of the Zones SL Board. In the absence of the Chairperson from any meeting of the Zones SL Board, any member elected by the members present shall preside at such meeting of the Zones SL Board.

(6) Subject to the preceding provisions of this section, the Zones SL Board may regulate the procedure to be followed for the summoning and holding of meetings of the Zones SL Board and the transaction of business at such meetings.

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| Acts or  proceedings of  the Zones SL  Board deemed  not to be invalid by reason of any vacancy  Remuneration of the members of the Zones SL  Board | **72.** TheZonesSL Board may act notwithstanding any vacancy among its members, and any act or proceeding of the Zones SL Board shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.  **73.** The Chairperson and the members of theZones SL Board shall be paid such remuneration in such manner and at such rates as may be determined by the Minister, with the |

concurrence of the Minister assigned the subject of Finance.

Seal of the **74.** (1) The seal of the ZonesSL shall be as determined by Zones SL theZones SLBoard.

(2) The seal of the Zones SL–

(*a*) may be altered in such manner as may be   
 determined by theZones SL Board; and

(*b*) shall be in the custody of such person or   
 persons as the Zones SL Board may   
 determine from time to time.

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(3) The seal of the Zones SL shall not be affixed to any instrument or document except with the sanction of the Zones SL Board and in the presence of the Chairperson and one other member of the Zones SLBoardwho shall sign the instrument or document in token of their presence:

Provided however, where the Chairperson is unable to be present at the time when seal of the Zones SL is affixed to any instrument or document, any other member of the Zones SL Board authorized in writing by the Chairperson on that behalf shall be competent to sign such instrument or document in accordance with the preceding provision of this subsection.

(4) The Zones SL Board shall maintain a register of the instruments and documents to which the seal of the Zones SL has been affixed.

**CHAPTER XVIII**

CHIEF EXECUTIVE OFFICERAND STAFFOFTHEZONESSL

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| **75.** (1) There shall be a Chief Executive Officer of the Zones SL (hereinafter referred to as the “Zones SL Chief Executive Officer”) appointed by the Zones SL Board, in | Chief Executive Officer of Zones SL |

consultation with the Economic Commission, who shall be the Accounting Officer of Zones SL.

(2) The qualifications and experience of the person who shall be appointed as the Chief Executive Officer of Zones SL and the terms and conditions of employment of the Chief Executive Officer of Zones SL shall be as prescribed by regulation.

(3) TheZones SL Chief Executive Officer shall, subject to the general or special directions and control of the Zones SL Board –

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(*a*) be charged with the administration of the affairs of   
the Zones SL including the administration and   
control of the staff;

(*b*) be responsible for the execution of all decisions of   
the Zones SL Board; and

(*c*) carry out all such functions as may be assigned to   
 him by the Zones SL Board.

(4) The ZonesSL Chief Executive Officer shall be entitled to be present and speak at any meeting of the Zones SL Board, but shall not be entitled to vote at such meeting.

(5) The Zones SL Board may delegate such of its powers, duties and functions under this Part, as it may determine, either to the Zones SL Chief Executive Officer or to any officer of the Zones SL and the Zones SL Chief Executive Officer or such employee of the Zones SL shall exercise, perform and discharge such delegated powers, duties and functions, subject to the direction and supervision of the Zones SL.

(6) The Zones SL Chief Executive Officer may, with the approval of the Zones SL Board, delegate in writing to any administrative unit or officer or employee of the Zones SL, such of the powers, duties or functions of the Zones SL Chief Executive Officer as may be considered necessary from time to time, and any such administrative unit, officer or employee to whom any such powers, duties or functions are delegated, shall be responsible for the same, and shall exercise, perform and discharge them subject to the direction and supervision of the Zones SL Board or the ZonesSL Chief Executive Officer.

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(7) The Zones SL Chief Executive Officer shall be responsible and answerable to the Zones SL Board in the exercise, performance and discharge of his powers, duties and functions under this Part.

(8) The Zones SL Board may, in consultation with the Economic Commission, and subject to the provisions of subsection (9), remove the Zones SL Chief Executive Officer from office-

(*a*) if he becomes permanently incapable of performing his duties;

(*b*) if he has done any act which, in the opinion of the Zones SL Board, is of a fraudulent or illegal character or is prejudicial to the interests of the Zones SL; or

(*c*) if he has failed to comply with any directions issued by the ZonesSL Board.

(9) Prior to being removed under subsection (8), the Zones SL Chief Executive Officer shall be issued a notice in writing to show cause as to why he should not be removed from office and be given an opportunity of being heard against any allegations made against him.

(10) The office of the Zones SL Chief Executive Officer shall become vacant upon the death, removal from office under subsection (8) or resignation by letter in that behalf addressed to the Minister by the holder of that office.

(11) If any vacancy occurs in the office of the Zones SL Chief Executive Officer, the Zones SL Board may, in consultation with the Economic Commission, appoint an appointed member of the Zones SL Board to exercise,

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perform and discharge the powers, duties and functions of the Zones SL Chief Executive Officer until an appointment is made under subsection (1).

(12) TheZones SL Chief Executive Officer shall be paid such remuneration as may be determined by the Zones SL Board, in consultation with the Economic Commission.

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| Staffof the  ZonesSL | **76.** (1) The Zones SL may create cadre positions and employ officers and employees as it considers necessary for |

the efficient discharge of its functions for the purposes of carrying out its duties and functions under the provisions of this Part.

(2) The Zones SL Board may, in respect of the officers and employees employed under subsection (1) –  
 (*a*) determine the terms and conditions of employment of such officers and employees;   
 (*b*) fix the rates at which such officers and employees shall be remunerated in consultation with the Minister assigned the subject of Finance;   
 (*c*) exercise disciplinary control over or dismiss such officers and employees; and   
 implement a code of conduct which shall be (*d*)   
 applicable to such officers and employees.

(3) TheZones SL Board may make rules in respect of all or any of the matters referred to in subsection (2).

(4) The Zones SL shall promote and sponsor the training of technical personnel on the subjects of zone management and operation and other related subjects and

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for this purpose, the Zones SL shall be authorized to defray the costs of study, in Sri Lanka or abroad of such officers.

(5)The Zones SL shall not appoint any person to its staff, if such person-

(*a*) has been previously found guilty of a crime or an   
 act of serious misconduct by a civil court or tribunal   
 or has been subject to proceedings for a regulatory,   
 code of conduct or related violation by a regulator   
 in Sri Lanka or abroad; or

(*b*) has committed a breach of the provisions of this   
 Part or regulations, rules or directives made   
 thereunder.

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| **77.** (1) At the request of the Zones SL any officer in the public service may, with the consent of the officer and the Public Service Commission be temporarily appointed to the | Appointment of public officers to the staff of  theZones SL |

Zones SL for such period as may be determined by the Zones SL or with like consent, be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Zones SL, 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 such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Zones SL, 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 such officer.

(4) Where theZones SL employs any person who has

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entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service with the Zones SL by that person shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

**CHAPTER XIX**

FINANCE

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| Financial  management of the Zones SL | **78.** TheZones SL Board shall be charged with the financial management of the Zones SL and the due operation and management of the Fund established in terms of |

section 79.

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| Fund of the  Zones SL | **79.** (1) The Zones SL shall have its own Fund (in this Part referred to as the “Zones SL Fund”). |

(2) There shall be paid into the Zones SL Fund-

(*a*) all such sums of money as may be voted by   
Parliament for the use of the Zones SL;

(*b*) all such sums of money as may be received by the   
Zones SL through the exercise, performance and   
discharge of its powers, duties and functions either   
directly or through entities created by it under this   
Part;

(*c*) all such sums of money as may be paid as fees under   
 the provisions of this Part; and

(*d*) all such sums of money received as development   
assistance from foreign Governments or agencies   
and from multilateral and bilateral agencies whether   
within or outside Sri Lanka:

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Provided however, the Zones SL shall obtain   
prior written approval of the Department of External   
Resources, in respect of all foreign assistance   
received under this paragraph.

(3) There shall be paid out of the Zones SL Fund-

(*a*) all such sums as are required to defray expenditure   
 incurred by the Zones SL in the exercise,   
 performance and discharge of its powers, duties and   
 functions under this Part or under any other written   
 law; and

(*b*) up to ten *per centum* of the fees charged by the   
 Zones SL to issue any licence under this Part, as   
 may be determined by the Economic Commission   
 under paragraph (*m*) of section 13.

(4) Monies belonging to the Zones SL Fund may be invested by the Zones SL in such manner as may be determined by the Zones SL Board.

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| **80.** (1) The financial year of theZones SL shall be the calendar year.  (2) The Zones SL shall cause proper books of accounts to | Financial year and audit of  accounts of the Zones SL |

be kept of the income, expenditure, assets and liabilities and all other financial transactions of the Zones SL.

(3) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of accounts of the Zones SL.

(4) The Zones SL Board shall submit the audited statement of accounts together with the auditor’s report to the Minister to be tabled in Parliament.

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**CHAPTER XX**

SITE SELECTION & C. OF INVESTMENTZONES

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| Site selection  and  establishment of Investment  Zones | **81.** (1) The Zones SL Board shall, in consultation with the Economic Commission, conduct studies on the requirements for investment zones to facilitate the accomplishment of the goals in the national policies on |

investment, international trade, exports and investment zones formulated by the Economic Commission.

(2) The Zones SL Board shall make recommendations to the Economic Commission for the establishment of investment zones based on findings of its studies. Such recommendations shall *-*

(*a*) the business justification for the establishment of   
any investment zones;

(*b*) site selection and location;

(*c*) proposed sectors of activity which should be   
 targeted, promoted and established within such   
 investment zones;

(*d*) the approvals and authorizations which shall be   
required for the establishment and operation of   
investments within such investment zones;

(*e*) any incentives or exemptions which may need to   
 be granted to investors to establish within such   
 investment zones;

(*f*) any ancillary support services which may be   
 required from the Government or any local   
 authorities or agencies for the purpose of providing

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institutional framework and physical infrastructure   
to enable such investment zones to operate   
smoothly and efficiently;

(*g*) the method of operating and managing such   
 investment zones, whether directly by the Zones   
 SL or as joint ventures with any other party   
 including private parties, or on the basis of   
 management agreements;

(*h*) any charges or levies that may levied or imposed   
 on any users within such investment zones; and

(*i*) any other matters which may be relevant to the   
 establishment and operation of such investment   
 zones.

(3) Upon the Cabinet of Ministers approving the establishment of an investment zone, the Minister shall procure the vesting of such site to the Zones SL having acquired the proposed site under the Land Acquisition Act (Chapter 450) or by the grant or lease thereof under the Crown Lands Act (Chapter 454) as the case may require.

(4) Any land vested in terms of subsection (3) in the Zones SL shall be deemed to be for a public purpose.

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| **82.** The Zones SL shall be responsible for establishing the investment zones ensuring *inter alia* the following: - | | Establishment of investment  zones |
| (*a*) | making appropriate arrangements for creating the |

necessary regulatory, institutional and physical   
infrastructure for the operation of the investment   
zone, including but not limited to the preparation   
of site plans, supply of utilities and other

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infrastructural services required for the purpose of   
facilitating the operations of investments which will   
be located within the investment zone;

(*b*) obtaining pre-clearances and approvals from all   
relevant authorities which have continued powers   
over the activities of the investment zone;

(*c*) ensuring that rules and procedures for the operation   
 of the activities are duly adopted by the Minister   
 by way of regulations;

(*d*) entering into agreements as may be deemed   
necessary for the establishment, operation and   
management of the investment zone whether such   
parties are public or private individuals or entities;   
and

(*e*) formulating schemes for the levy or charge of any   
 services which may be provided to any person within   
 the investment zones.

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| Operation and management of investment  zones | **83.** The Zones SL Board shall, in consultation with the Economic Commission, determine the structure within which each investment zone shall be operated and managed. |

Without limiting the discretion of the Zones SL Board and the Economic Commission, such investment zones may be managed by the Zones SL Board, or as joint ventures with third parties, (whether local or foreign), or on the basis of management agreements.

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| Rights and  obligations of investment | **84.** (1) An investment zones developer or operator shall have the right to- |

zones developer   
or operator

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(*a*) act or appoint, with the concurrence of the Zones   
 SL, an operator to undertake management and   
 administration of the investment zone on its behalf   
 subject to such regulations and other licensing   
 requirements as may be prescribed;

(*b*) lease or sublease land or buildings to licensed   
 investment zone operators and enterprises and   
 charge rent or fees for other services that may be   
 provided;

(*c*) acquire investment zone lands or other assets;

(*d*) develop, operate and service investment zones   
 lands and other assets in conformity with applicable   
 regulations and laws and its licences;

(*e*) provide utilities and other services in the   
 investmentzone, in accordance with its licence and   
 to charge fees for such services;

(*f*) provide utilities and other services outside the   
 investment zone in conformity with applicable   
 written law;

(*g*) enter into contracts with private third parties for   
 the development, operation and servicing of   
 investment zone lands and other assets, including   
 on-site and off-site infrastructure;

(*h*) enter and freely participate in international   
 financial markets, without any legal impediments   
 or restrictions to obtain funds, credits, guarantees,   
 and other financial resources; and

(*i*) advertise and promote the investment zone for   
 which it holds a licence to potential investors and   
 service providers.

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(2) An investment zone developer shall, in such manner as may be prescribed-

(*a*) perform such physical development works or make   
such improvements to the investment zone site and   
its facilities as may be required according to the   
plans approved by theZones SL;

(*b*) provide adequate enclosures to segregate the zone   
area from the customs territory for the protection of   
revenue together with suitable provisions for the   
movement of persons, conveyances, vessel and   
goods entering or leaving the zone;

(*c*) provide or cause to be provided adequate security   
 on the site, as may be determined by the Zones SL   
 in its licence;

(*d*) adopt and enforce regulations within the   
investment zone that promote safe and efficient   
business operations;

(*e*) maintain adequate and proper accounts and other   
 records in relation to its activities, employment   
 statistics, business andreport on zone activities,   
 performance and development to the Zones SL on   
 a periodic basis or as required by the Zones SL; and

(*f*) register all lease with the Zones SL.

(3) The accounts and records required under paragraph (*e*) of subsection (2) shall be maintained in any of the official languages.

(4) An investment zone developer or an operator who fails to maintain adequate and proper accounts and other

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records as required by this section or fails to comply with the rules or regulations made under this Part commits an offence and shall be liable on conviction to a fine not exceeding three million rupees or to an amount equivalent to not less than ten thousand United States Dollars (USD) or to imprisonment for a term not exceeding six months or to both.

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| **85.** The Zones SL Board may appoint any Technical Committee or experts whom it may deem necessary for its | Technical  committees |

decision-making process.

**86.** (1) (*a*) The Zones SL shall endeavour to publish all Transparency laws, regulations, orders, rules and where legally permissible,   
judgments and administrative rules relating to the affairs of   
investment zones on a single website to provide investors   
with easy access to such information and material.

(*b*) The Zones SL shall consult with and provide investors with adequate opportunity to make representations prior to taking decisions or the adoption of laws, regulations, rules, directions or orders which affect their rights as investors within the investment zones.

(2) Where any administrative proceedings are initiated against any investor or investment in respect of their rights within the investment zones, all the rights, procedures and due processes afforded to any citizen under the law in respect of such proceedings shall be afforded to the investor and to such investments.

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| **87.** (1) Any disputes betweenZones SL and investors within the investment zones, shall be settled promptly and amicably through consultations and negotiations between the parties. | Dispute  settlement  between the  Zones SL and investors |

(2) Where an amicable solution cannot be reached, such investors shall have the right to use all other remedies under the laws of Sri Lanka.

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| Settlement of  labour disputes | **88.** The Zones SL shall provide for expeditious resolution of labour disputes and disputes between investors and |

workers employed within investment zones. Mechanisms such as alternate dispute resolution methods or any other means of dispute resolution may be prescribed by way of regulations for such purpose**.**

Incentives **89.** Zones SL may recommend to the Economic Commission, the administrative incentives and exemption from laws specified in the Schedule to this Part to be granted to investors within the investment zones, from time to time.

**CHAPTER XXI**

GENERAL PROVISIONS

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| Special Powers of the Zones SL for expediting  approvals | **90.** (1) Where an investor that applies to the Zones SL for setting up of an investment within an investment promotion zone requires any approvals, authorizations or permits from |

Ministries, Government departments, agencies, Zones SL, regulatory authorities or bodies named by the Cabinet of Ministers on the recommendation of the Minister and prescribed by regulation made under this Part (hereinafter referred to as the “Specified Institutions”) the Zones SL shall be empowered to facilitate the procurement of such approvals, authorizations or permits.

(2) Where the Zones SL makes an inquiry or request to any Specified Institution for an approval, authorization, or permit in terms of subsection (1), such Specified Institution shall be obliged to respond to such inquiry or request either consenting to or objecting to such inquiry or request within fifteen days of such inquiry or request being made. If the Specified Institution refuses to respond to such inquiry or denies such request, written reasons for such refusal or denial shall be provided in writing within such period of twenty one days.

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(3) All Specified Institutions shall be required to collaborate with the Zones SL to enable it to perform its functions and meet its objects.

(4) The Minister may by regulations made under this Part prescribe procedures for such collaboration, which shall be complied with by Specified Institutions in line with standing operating procedures on granting approvals for investment projects formulated by the Zones SL through a consultative process.

(5) If a Specified Institution refuses, denies or fails to respond to an inquiry or request as per the regulations made under subsection (1) or (4), the Zones SL shall if deemed appropriate, refer such refusal, denial or failure to the Minister forthwith, who shall, within two weeks refer the mater to the Cabinet of Ministers for appropriate action.

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| **91.** All members of the Zones SL Board, Zones SL Chief Executive Officer and the officers and other employees of the Zones SL shall be deemed to be public servants within the meaning, and for the purposes of the Penal Code (Chapter 19).  **92.** TheZones SL shall be deemed to be a scheduled institution within the meaning of the Anti-Corruption Act, No. 9 of 2023, and the provisions of that Act shall be construed accordingly.  **93.** No civil or criminal proceedings shall be instituted against any members of theZones SL Board, Zones SL Chief Executive Officer, officer or employee of the Zones SL for | Members,  officers and  other employees of theZonesSL deemed to be  public servants  ZonesSL  deemed to be a scheduled  institution  Protection for action taken  under this Act |

any act which in good faith is done or purported to be done by him under this Part or on the directions of the Zones SL Board, as the case may be, if he proves that he acted in good faith and exercised all due diligence, reasonable care and skill.

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Regulations **94.** (1) The Minister may, in consultation with the Zones SL, make regulations in respect of all matters which are required by this Part to be prescribed or in respect of which regulations are authorized to be made.

(2) In particular and without prejudice to the generality of the provisions contained in subsection (1), the Minister may make regulations in regard to –

(*a*) determine the scope and extent of any exemption   
or modification of any of the written laws set out in   
the Schedule to this Part which may be required for   
the attainment of the objects of this Part;

(*b*) provide for any matter which is deemed necessary   
for discharge of the provisions of this Part including   
but not limited to specifying-

(i) procedure for allocation of sites and   
 registration within the investment zones;

(ii) procedures for operation within the   
 investment zones;

(iii) procedures for the matters which will include   
customs procedures, exemption and pre-  
clearances and the treatment of which shall   
be processed therein;

(iv) criteria and procedures for registration,   
approvals and licensing under this Part or for   
those required under any other applicable   
laws;

(v) matters relating to staff and all other matters   
connected thereto:

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Provided however, regulations shall not be   
made under this section providing terms less   
favourable than the terms and conditions of   
employment to which the officers and employees   
of the BOI holding office on the day immediately   
preceding the appointed date were entitled;

(vi) fees and charges to be levied for any services provided under this Part; and

(vii) require all investments falling under this Part to register with the Zones SL within a period specified in the said regulation.

(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 such regulation.

(4) Every regulation made under this section shall, within three months from the date of its publication in the *Gazette*, be placed before Parliament for approval. Every 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.

(5) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

**95.** (1) Subject to the provisions of this Part, the Zones SL Rules

may make rules in respect of all matters which rules are authorized to be made under this Part.

(2) Every rule made by Zone SL shall be published in the *Gazette* and shall come into operation upon such publication.

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Removal of **96.** (1) If any difficulty arises in giving effect to the

difficulties provisions of this Part, the Minister may, by Order published in the *Gazette*, make provisions which are not inconsistent with the provisions of this Part or any other written law, as appears to the Minister to be necessary or expedient for removing the difficulty:

Provided that, no such Order shall be made after the expiry of a period of five years from the date of commencement of this Part.

(2) Every Order made under this section shall, within three months after it is made, be laid before Parliament for approval and such Order shall become operative only upon receipt of the approval therefor of Parliament.

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| This part to  prevail | **97.** In case of any inconsistency between the provisions of this Part and provisions of any other law relating to |

investment zones (save and except the Colombo Port City Economic Commission Act, No. 11 of 2021) the provisions of this Part shall prevail.

Interpretation **98.** In this Part, unless the context otherwise requires-

“Board of Investment” means, the Board of Investment   
established under the Board of Investment of Sri   
Lanka Law, No. 4 of 1978;

“investment zones” mean, export processing zones,   
industrial parks, special economic zones,   
logistics zones or any sector based special   
economic zones and other similar areas for the   
establishment of investments, whether declared   
under this Part or any other law referred to in this   
Part and shall include areas of authority and   
licensed zones as referred to in the Board of   
Investment of Sri Lanka Law, No. 4 of 1978; and

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“social infrastructure”means,essential facilities for   
the wellbeing and productivity enhancement of   
the employees of the enterprises and shall   
include day care centers, medical centers,   
accommodation,recreation facilities.

SCHEDULE

(sections 89 and 94)

1. Customs Ordinance (Chapter 235)

2. Companies Act, No. 07 of 2007

3. Inland Revenue Act, No. 24 of 2017

4. Finance Act, No. 18 of 2021

5. Foreign Exchange Act, No. 12 of 2017

6. National Film Corporation of Sri Lanka Act, No. 47 of

1971

7. Merchant Shipping Act, No. 52 of 1971

8. Civil Aviation Act, No. 14 of 2010

9. Ceylon Electricity Board Act, No. 17 of 1969

10. National Water Supply and Drainage Board Law, No. 2 of

1974

11. Sri Lanka Ports Authority Act, No. 51 of 1979

12. Ceylon Petroleum Corporation Act, No. 28 of 1961

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 PART IV   
 **CHAPTER XXII**   
 ESTABLISHMENTOFTHE OFFICEFOR INTERNATIONAL TRADE

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| Establishment of the Office for  International  Trade | **99.** (1) There shall be established an office which shall be called the Office for International Trade (in this Act referred to as the “OIT”). |

(2) The OIT shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in that name.

Objects of the **100.** The objects of the OIT shall, in accordance with the OIT Government policies, be –  
 (*a*) to promote and develop international trade of Sri Lanka;   
 (*b*)   
 to coordinate international trade activities of Sri Lanka;   
 (*c*) to facilitate the growth of exports of Sri Lankan products and services;   
 (*d*) to promote Sri Lanka as a major trade, business and logistical hub of the Indian Ocean region; and (*e*) to serve as the lead agency for the implementation and coordination of international trade activities of Sri Lanka.

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| Powers, duties  and functions of the OIT | **101.** (1) The powers, duties and functions of the OIT shall be- |

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(*a*) to make recommendations to the Minister on   
 international trade activities including measures   
 to-

(i) remove or reduce market access barriers and,   
 facilitate the entry of Sri Lankan goods and   
 services into international markets;

(ii) ensure equitable treatment in international   
 markets for Sri Lankan goods and services in   
 general and industrial, agricultural and   
 fisheries products in particular; and

(iii) increase the exports of Sri Lankan goods and   
 services;

(*b*) to recommend to the Minister, where necessary,   
 changes to the import and export policies of the   
 Government of Sri Lanka with a view to facilitating   
 international trade of Sri Lanka;

(*c*) to conduct-

(i) feasibility studies prior to initiating; and

(ii) stakeholder consultations throughout the   
 process of,

bi-lateral, multi-lateral, regional and international   
trade negotiations;

(*d*) to assist Ambassador for International Trade   
 appointed under subsection (1) of section 114, to   
 carry out bilateral, multilateral, regional and   
 international trade negotiations approved by the   
 Cabinet of Ministers;

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(*e*) to appoint an International Trade Officer to such   
 countries, subject to such terms and conditions, in   
 consultation with the following persons: -

(i) the Secretary to the Ministry of the Minister   
 assigned the subject of Finance;

(ii) the Secretary to the Ministry of the Minister   
 assigned the subject of Foreign Affairs;

(iii) the Secretary to the Ministry of the Minister   
 assigned the subject of Investment; and

(iv) the Secretary to the Ministry of the Minister   
 assigned the subject of Trade:

Provided however, the Minister shall in   
consultation with the OIT Board and persons   
referred to in subparagraph (i) to (iv), prescribed by   
regulations, the powers, duties and functions of such   
international trade officer;

(*f*) to promote Sri Lanka’s bi-lateral trade with other   
 countries, expanding the number of countries for   
 conducting bi-lateral trade;

(*g*) to appoint, employ, remunerate and exercise   
disciplinary control over and dismiss such officers   
and other employees as are necessary for the   
exercise, performance and discharge of the powers,   
duties and functions of the OIT under this Act;

(*h*) to purchase and hold any movable or immovable   
property, and give on lease or hire, mortgage,   
pledge, sell or otherwise dispose of any of the   
movable or immovable property purchased or held   
by the OIT, for the purposes of the OIT;

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(*i*) to enter into and perform all such contracts as it   
 may consider necessary for the exercise,   
 performance and discharge of its powers, duties and   
 functions;

(*j*) to accept development assistance from multilateral   
 agencies, whether in cash or otherwise, from persons   
 or bodies of persons within or outside Sri Lanka   
 and apply them in the exercise, performance and   
 discharge of its powers, duties and functions under   
 this Act:

Provided however, theOITshall obtain prior   
written approval of the Department of External   
Resources, in respect of all foreign assistance   
received under this paragraph;

(*k*) to engage in research and publications in relation   
 to international trade;

(*l*) to collect and maintain statistics on Sri Lanka’s   
 international trade; and

(*m*) to generally do such other acts or things necessary for the achievement of the objects of the OIT.

(2) The OIT shall exercise, perform and discharge all powers, duties and functions specified in any law in respect of international trade.

**CHAPTER XXII**I

ADMINISTRATIONAND MANAGEMENTOFTHE OIT

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| **102.** (1) The administration and management of the affairs of the OIT shall be vested in a Board of Management (in this Act referred to as the “OIT Board”). | Constitution of the Board of  Management of the OIT |

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(2) The OIT Board shall, for the purpose of administering and managing the affairs of the OIT, exercise, perform and discharge the powers, duties and functions conferred or imposed on, or assigned to, the OIT by this Part.

(3) The OIT Board shall consist of-

(*a*) the Ambassador for international trade appointed   
under section 114 who shall be the Chairperson of   
the OITBoard and Chief Executive Officer of the   
OIT;

(*b*) the Secretary to the Treasury or his representative;   
and

(*c*) five other persons who possess knowledge and   
experience in the field of international trade,   
appointed by the President with the concurrence of   
the Constitutional Council (in this Act referred to   
as the “appointed members”).

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| Disqualifications for being a  member of the | **103.** A person shall be disqualified from being appointed or continuing as a member of the OIT Board, if such person – |

OIT Board   
 (*a*) is, or becomes a member of Parliament, member of any Provincial Council or any local authority;

(*b*) is not, or ceases to be, a citizen of Sri Lanka;

(*c*) is, or becomes a citizen of Sri Lanka who is also a   
citizen of any other country;

(*d*) is a person who, having been declared as insolvent   
or bankrupt under any law in force in Sri Lanka or   
in any other country, is an undischarged insolvent   
or bankrupt;

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(*e*) is under any law in force in Sri Lanka or in any   
 other country, found or declared to be of unsound   
 mind;

(*f*) is serving or has served a sentence of imprisonment   
 imposed by a court of Sri Lanka or any other   
 country;

(*g*) holds or enjoys any right or benefit under any   
 contract made by, or on behalf of, the OIT; or

(*h*) has any financial or other interest direct or indirect   
 as is likely to affect prejudicially the exercise,   
 performance and discharge by such person of his   
 powers, duties and functions as a member of the   
 OIT Board.

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| **104.** Every appointed member of the OIT Board shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of four years from the date of his appointment, and unless removed from office, shall be | Term of office  of the appointed members of the OIT Board |

eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

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| **105.** (1) Any appointed member of the OIT Board may, at any time, resign his office by letter in that behalf addressed to the President, and such resignation shall take effect from the date on which the resignation is accepted in writing by | Removal,  resignation &c., of appointed  members |

the President.

(2) The President may, for reasons assigned therefor, remove any appointed member from office. An appointed member who has been removed from office shall not be eligible for re-appointment as a member of the OIT Board or to serve the OIT in any other capacity.

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(3) In the event of the vacation of office by death, resignation or removal from office of any appointed member, the President shall, having regard to the provisions of sections 102 and 103, appoint another person to fill such vacancy. Such person shall hold office for the un-expired period of the term of office of the member whom he succeeds, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(4) Where any appointed member of the OIT Board is temporarily unable to perform the duties of his office on account of ill health or any other cause, or if he is absent from Sri Lanka for a period not less than three months, the President shall, having regard to the provisions of sections 102 and 103, appoint any other person to act in place of such member during his absence.

(5) Where any appointed member of the OIT Board fails to attend three consecutive meetings of the OIT Board without notifying his absence in advance to the Chairperson, such member shall be deemed to have vacated his office from the date of such third meeting and the President shall, having regard to the provisions of sections 102 and 103, appoint another person to fill such vacancy.

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| Financial or  other interests of the members of the OIT Board | **106.** (1) The President shall, prior to appointing a person as a member of the OIT Board, require such person to declare that neither he nor any of his family members has any |

financial or other interest in the affairs of the OIT which is likely to affect prejudicially the exercise, performance and discharge of his powers, duties and functions as a member of the OIT Board and satisfy himself of the matters so disclosed.

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(2)The President shall also satisfy himself, from time to time, that no member of the OIT Board has, since being appointed to the OIT, acquired any such financial or other interest specified in subsection (1).

(3)A member of the OIT Board who is directly or indirectly interested in any contract, agreement or business or any other matter made or proposed to be made by the OIT shall forthwith disclose the nature and extent of his interest to the OIT Board and to the President and every such disclosure shall be recorded in the minutes of the OIT Board and such member shall not thereafter participate in any matter concerning with the OIT, until such time as the President takes a decision thereon.

(4)The OIT Board shall maintain a register or record of conflict of interests on a case-by case basis.

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| **107.** An appointed member of the OIT Board shall not accept or hold any other office or employment connected | Restriction on employment |

with international trade, whether remunerated or not, -

(*a*) in any public or private institution during his term   
 of office; and

(*b*) in any private institution connected with   
 international trade until the expiration of a period   
 of three years from the date of expiry of his term of   
 office or from the date of vacating office by   
 resignation or removal, as the case may be.

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| **108.** (1) The meetings of the OIT Board shall be held at least once in every month or as is required for the purpose of exercising, performing and discharging the powers, duties | *Quorum* and the meetings of the OIT Board |

and functions conferred or imposed on, or assigned to the OIT Board by this Part.

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(2)The *quorum* for any meeting of the OIT Board shall be five members.

(3) A meeting of the OIT Board may be held either-

(*a*) by the number of members who constitute the   
*quorum* being assembled at the place, date and time   
appointed for the meeting; or

(*b*) by means of audio-visual communication by which   
all members participating and constituting the   
*quorum* can simultaneously see and hear each   
participating member for the duration of the   
meeting.

(4)All questions for decision at any meeting of the OIT Board shall be decided by the vote of the majority of members present and voting at such meeting. In the case of an equality of votes, the Chairperson shall, in addition to his vote, have a casting vote.

(5)The Chairperson, if present, shall preside at every meeting of the OIT Board. In the absence of the Chairperson from any meeting of the OIT Board, any member elected by the members present shall preside at such meeting of the OIT Board.

(6) Subject to the preceding provisions of this section, the OIT Board may regulate the procedure to be followed for the summoning and holding of meetings of the OIT Board and the transaction of business at such meetings.

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| Acts or  proceedings of the OIT Board deemed not to be invalid by  reason of any vacancy | **109.**The OIT Board may act notwithstanding any vacancy among its members, and any act or proceeding of the OIT Board shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof. |

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| **110.** The members of the OIT Board shall be paid such remuneration in such manner and at such rates as may be determined by the President, in consultation with the Minister | Remuneration of the members of the OIT Board |

assigned the subject of Finance.

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| **111.** (1) The OIT Board may, whenever it considers necessary, invite experts to any meeting of the OIT Board, who have expertise on any subject which is dealt with by | OIT Board to  invite experts to meetings |

the OIT Board at such meeting, for the purpose of obtaining their views on such subject matter for the effective discharge of the functions of the OIT:

Provided however, the OIT Board shall have the absolute discretion of accepting or rejecting the views of such experts.

(2) The experts shall have no voting rights.

(3) The experts may be paid such honorarium as may be determined by the OIT Board for attending the meetings of the OIT Board.

(4) Every expert invited by the OIT Board shall, prior to being engaged by the OIT Board, make a declaration required by section 124 and keep confidential all matters discussed by the OIT Board and any other information acquired by such expert in terms of his engagement with the OIT. Every such expert shall also make a declaration that he has no financial or other interest in the affairs of the OIT as specified in subsection (1) of section 106.

**112.** (1) The seal of the OIT shall be as determined by the Staff of the OIT

OIT Board.

(2) The seal of the OIT –

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(*a*) may be altered in such manner as may be   
 determined by the OIT Board; and

(*b*) shall be in the custody of such person or   
 persons as the OIT Board may determine,   
 from time to time.

(3) The seal of the OIT shall not be affixed to any instrument or document except with the sanction of the OIT Board and except in the presence of the Chairperson and one other member of the OIT Board, who shall sign the instrument or document in token of their presence:

Provided however, where the Chairperson is unable to be present at the time when the seal of the OIT is affixed to any instrument or document, any other member of the OIT Board authorised in writing by the Chairperson in that behalf, shall be competent to sign such instrument or document in accordance with the preceding provisions of this subsection.

(4) The OIT Board shall maintain a register of instruments and documents to which the seal of the OIT has been affixed.

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| Delegation of  powers, duties  and functions of the OIT Board | **113.** (1) The OIT Board may, by rules made in that behalf under this Part, delegate any of its powers, duties and functions to any officer of the OIT who shall be an officer |

not below the rank of a Director.

(2) An officer to whom any power, duty or function is delegated under subsection (1), shall exercise, perform or discharge such power, duty or function, subject to such directions as may be given by the OIT Board.

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**CHAPTER XXIV**

AMBASSADORFOR INTERNATIONAL TRADE

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| **114.** (1) The President shall, with the concurrence of the Constitutional Council, appoint a person who possesses knowledge and experience in the field of international trade, | Ambassador for International  Trade |

to be the Ambassador for International Trade-

(*a*) who shall be the chief negotiator for international   
 trade negotiations; and

(*b*) for the purpose of conducting Sri Lanka’s   
 international trade relations.

(2) It shall be the duty of the Ambassador for International Trade to coordinate international trade matters and negotiations concerning the World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD), any country or country groupings in relation to international trade matters and negotiations, the Commonwealth and other international trade negotiations.

(3) The Ambassador for International Trade may, at any time, resign his office by letter in that behalf addressed to the President, and such resignation shall take effect from the date on which it is accepted in writing by the President.

(4) The President may, with the concurrence of the Constitutional Council, remove the Ambassador for International Trade from office-

(*a*) if he becomes permanently incapable of performing   
 his duties;

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(*b*) if he has done any act which, in the opinion of the   
OIT Board, is of a fraudulent or illegal character or   
is prejudicial to the interests of the OIT; or

(*c*) if he has failed to comply with any directions given   
 by the OIT Board.

(5) The Ambassador for International Trade shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of four years from the date of his appointment, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(6) In the event of the vacation of office by death, resignation or removal from office of the Ambassador for International Trade, the President shall, in terms of the provisions of subsection (1), appoint another person to fill such vacancy. Such person shall hold office for the un-expired period of the term of office of the person whom he succeeds, and unless removed from office, shall be eligible for re-appointment for not more than one further term, whether consecutive or otherwise.

(7) Where the Ambassador for International Trade is temporarily unable to perform the duties of his office on account of ill health or any other cause, or if he is absent from Sri Lanka for a period not less than three months, the President shall, in terms of the provisions of subsection (1), appoint a member of the OIT Board to temporarily act as the Ambassador for International Trade during his absence.

(8) The Ambassador for International Trade shall be paid such remuneration in such manner and at such rates as may be determined by the President, in consultation with the Minister assigned the subject of Finance.

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**115.** The Ambassador for International Trade shall not Restriction on accept or hold any other office or employment, whether employment

remunerated or not-

(*a*) in any public or private institution during his term   
 of office as the Ambassador for International Trade;   
 and

(*b*) in any private institution connected with   
 international trade until the expiration of a period   
 of three years from the date of expiry of his term of   
 office or from the date of vacating office by   
 resignation or removal, as the case may be.

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| **116.** (1) The OIT Board may delegate any of its powers, duties and functions to the Ambassador for International Trade. | Delegation of  powers, duties  and functions of the OIT Board |

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| (2) The Ambassador for International Trade shall exercise, perform and discharge the powers, duties and functions assigned to him by the OIT Board under subsection | Ambassador for International  Trade |

(1), subject to the general or special directions of the OIT Board.

(3) The OIT Board may, at any time, revoke the powers, duties and functions delegated to the Ambassador for International Trade.

**CHAPTER XXV**

DIRECTOR GENERALANDOTHERSTAFFOFTHEOIT

**117.** (1) There shall be a Director General of the OIT (in Director General this Act referred to as the “OIT Director General”) appointed of the OIT

by the Minister in consultation with the OIT Board.

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(2) The qualifications and experience of the person who shall be appointed as the OIT Director General and the terms and conditions of employment of the OIT Director General shall be as prescribed by regulations.

(3) The OIT Director General shall, subject to the general or special directions and control of the OIT Board –

(*a*) be charged with the administration of the affairs of   
the OIT including the administration and control   
of the staff;

(*b*) be responsible for the execution of all decisions   
of the OIT Board;

(*d*) assist the Ambassador for International Trade in   
carrying out his powers, duties and functions under   
this Part; and

(*e*) carry out all such functions as may be assigned to   
 him by the OIT Board.

(4) The OIT Director General shall be entitled to be present and speak at any meeting of the OIT Board, but shall not be entitled to vote at such meeting.

(5) The OIT Director General may, with the written approval of the OIT Board, whenever he considers it necessary to do so, delegate in writing to any officer or employee of the OIT any power, duty or function conferred or imposed on, or assigned to him by this Part, and such officer or employee shall exercise, perform or discharge such power, duty or function, subject to the general or special directions of the OIT Director General.

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(6) The OIT Director General shall be responsible and answerable to the OIT Board in the exercise, performance and discharge of his powers, duties and functions under this Part.

(7) The Minister may, in consultation with the OIT Board, and subject to the provisions of subsection (8), remove the OIT Director General from office-

(*a*) if he becomes permanently incapable of performing   
 his duties;

(*b*) if he has done any act which, in the opinion of the   
 OIT Board, is of a fraudulent or illegal character or   
 is prejudicial to the interests of the OIT; or

(*c*) if he has failed to comply with any directions issued   
by the OIT Board.

(8) Prior to being removed under subsection (7), the OIT Director General shall be issued a notice in writing to show cause as to why he should not be removed from office and be given an opportunity of being heard against any allegations made against him.

(9) The office of the OIT Director General shall become vacant upon the death, removal from office under subsection (7) or resignation by letter in that behalf addressed to the Minister by the holder of that office.

(10) If any vacancy occurs in the office of the OIT Director General, the Minister may, in consultation with the OIT Board, appoint an appointed member of the OIT Board to exercise, perform and discharge the powers, duties and functions of the OIT Director General until an appointment is made under subsection (1).

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(11) The OIT Director General shall be paid such remuneration as may be determined by the Minister with the concurrence of the Minister assigned the subject of Finance.

staff of the OIT **118.** (1) The OIT may appoint as staff of the OIT such number of officers and other employees as may be necessary for the efficient exercise, performance and discharge of its powers, duties and functions under this Part.

(2) The OIT Board may, in respect of the officers and other employees appointed to the OIT under subsection (1) –

(*a*) determine the terms and conditions of employment   
of such officers and employees;

(*b*) fix the rates at which such officers and employees   
shall be remunerated in keeping with related   
guidelines of the Government and in consultation   
with the Minister assigned the subject of Finance;   
and

(c) exercise disciplinary control over or dismiss such   
 officers and employees.

(3) The OIT Board may make rules in respect of all or any of the matters referred to in subsection (2).

(4) The OIT shall not appoint as an officer or other employee of the OIT, any person who has been dismissed from any previous position held by such person in the public or private sector.

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| Appointmentof public officers to the staff of  the OIT | **119.** (1) At the request of the OIT, any officer in the public service may, with the consent of that officer and the Public Service Commission, be temporarily appointed to the staff |

of the OIT for such period as may be determined by the OIT or with like consent, be permanently appointed to such staff.

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(2) Where any officer in the public service is temporarily appointed to the staff of the OIT, 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 such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the OIT, 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 such officer.

(4) Where the OIT 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 with the OIT by that person shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

**CHAPTER XXVI**

FINANCE

**120.** (1) The OIT shall have its own Fund. Fund of the OIT

(2) There shall be paid into the Fund of the OIT all such sums of money as may be voted upon from time to time by Parliament for the use of the OIT.

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

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| **121.** (1) The financial year of the OIT shall be the calendar year. | Financial year and audit of  accounts of the |

OIT

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(2) The OIT shall cause proper books of accounts to be kept of the income, expenditure, assets and liabilities and all other financial transactions of the OIT.

(3) The provisions of Article 154 of the Constitution relating to the audit of accounts of public corporations shall apply to, and in respect of, the audit of the accounts of the OIT.

**CHAPTER XXVII**

GENERAL PROVISIONS

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| Establishment of committees or  panels | **122.** (1) The OIT Board may establish committees or panels to assist it in the exercise, performance and discharge of its powers, duties and functions assigned to it under this |

Part.

(2) Every such committee or panel shall consist of such number of members as may be determined by the OIT Board, not below the rank of an Additional Secretary of the relevant Ministry and the heads of the relevant Government institutions functioning under such Ministry or such senior officers as may be authorised by the heads of such Government institutions, nominated by the Secretary to such Ministry.

(3) The provisions of sections 103 and 106 shall, *mutatis mutandis* apply to the members of the committees or panels established under subsection (1), in relation to the disqualifications for appointment and financial or other interests.

(4) The members of the committees or panels may be paid such honorarium in such manner and at such rates as

may be determined by the President in consultation with the

Minister assigned the subject of Finance.

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**123.** (1) The OIT shall, within six months of the end of Annual each financial year, submit to the President an annual report report

of the activities carried out by the OIT and the progress in respect of international trade including the individual countries with which bi-lateral trade is conducted during that financial year. The following documents shall be attached to such report: -

(*a*) the audited accounts of the OIT for the year along   
 with the Auditor-General’s report; and

(*b*) a report of proposed activities for the year   
 immediately following the year to which such report   
 and accounts relate.

(2) The President shall, within three months from the date of receipt of the annual report, table such report along with the documents specified in subsection (1) in Parliament, for its consideration.

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| **124.** Every member of the OIT Board, OIT Director General and all officers and other employees of the OIT shall, before | Declaration of secrecy |

entering upon their duties, make a declaration pledging themselves to observe strict secrecy in respect of all matters connected with the affairs of the OIT, which has come to their knowledge in the exercise, performance and discharge of their powers, duties and functions under this Part, and shall by such declaration pledge themselves not to disclose any such matter, except –

(*a*) when required to do so by a court of law; or

(*b*) in order to comply with any of the provisions of   
 the Right to Information Act, No. 12 of 2016.

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| Directions to be issued by the  Minister | **125.** (1) The Minister may, from time to time, issue to the OIT in writing such general or special directions as to the exercise, performance and discharge of the powers, duties |

and functions of the OIT so as to ensure giving proper effect to the Government policy relating to the objects of the OIT, and it shall be the duty of the OIT to comply with such directions.

(2) The Minister may, from time to time, in writing, direct the OIT to furnish to him in such form as he may require, returns, accounts and any other information with respect to the property and activities of the OIT, and it shall be the duty of the OIT to comply with such directions.

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| Members,  officers and  other employees of the OIT  deemed to be  public servants  OITdeemed to be a scheduled institution | **126.** All members of the OIT Board, OIT Director General and the officers and other employees of the OIT shall be deemed to be public servants within the meaning, and for the purposes of the Penal Code (Chapter 19).  **127.** The OIT shall be deemed to be a scheduled institution within the meaning, and for the purposes of the Anti-Corruption Act, No. 9 of 2023 and the provisions of that Act |

shall be construed accordingly.

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| Expenses in suit or prosecution  to be paid out of the Fund of the OIT | **128.** (1) Any expense incurred by the OIT in any suit or prosecution brought by or against the OIT before any court, shall be paid out of the Fund of the OIT and any costs paid to, or recovered by the OIT in any such suit or prosecution |

shall be credited to the Fund of the OIT.

(2) Any expense incurred by any member of the OIT Board, the OIT Director General or any officer or other employee of the OIT in any suit or prosecution brought against such person before any court or tribunal in respect of any act which is done or is purported to be done by such

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person under the provisions of this Partor on the direction of the OIT shall, if the court holds that such act was done in good faith, be paid out of the Fund of the OIT, unless such expense is recovered by such person in such suit or prosecution.

**129.** (1) The Minister may, in consultation with the OIT, Regulations

make regulations in respect of all matters which are required by this Part to be prescribed or in respect of which regulations are authorized to be made.

(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 regulations.

(3) Every regulation made by the Minister shall, within three months after its publication in the *Gazette*, be brought before Parliament for approval.

(4) Any such regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval, but without prejudice to anything duly done thereunder.

(5) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the *Gazette.*

**130.** (1) Subject to the provisions of thisPart, the OIT Rules

Board may make rules in respect of any matter for which rules are authorised to be made under this Part or all or any of the following matters: –

(*a*) for the regulation of the procedure to be followed

for the summoning and holding of meetings of the

OIT Board and the transaction of business at such

meetings; and

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(*b*) any other matter connected with the management

of the affairs of the OIT.

(2) Every rule made by the OIT Board shall be published

in the *Gazette* and shall come into operation upon such

publication.

Interpretation **131.** In this Part, unless the context otherwise requires-

“Minister” means the Minister assigned the subject   
of, and functions relating to, the Office for   
International Trade under Article 44 or 45 of   
the Constitution.

PART V

**CHAPTER XXVIII**

ESTABLISHMENTOFTHE NATIONAL PRODUCTIVITY COMMISSION

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| Establishment of the  National  Productivity | **132.** (1) There shall be established a Commission called and known as the National Productivity Commission (hereinafter referred to as the “Productivity Commission”). |

Commission

(2) The Productivity Commission shall, by the name assigned to it by subsection (1), be a body corporate and shall have a perpetual succession and a common seal and may sue and be sued in that name.

(3) The Productivity Commission shall be an independent body and accountable to Parliament.

(4) The independence of the Productivity Commission shall be respected at all times.

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(5) A person shall not cause undue influence, or interfere with the Productivity Commission in the exercise, performance and discharge of its powers, duties and functions under this Part.

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| **133.** The object of the Productivity Commission shall be to promote economic growth through increased productivity for the improvement of wellbeing of people in a sustainable | Object of  the Productivity Commission |

manner.

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| **134.** The Productivity Commission shall have the following powers to perform and discharge its duties and functions, as are necessary for the achievement of the object | Powers of the Productivity Commission |

of the Productivity Commission: -

(*a*) subject to the provisions of section 154, request   
 information, data, statistics, or documents from any   
 public institution or person;

(*b*) publish and disseminate the findings of an inquiry   
 or research conducted by the Productivity   
 Commission and its recommendations made to the   
 relevant authorities to the extent permitted under   
 the Right to Information Act, No. 12 of 2016;

(*c*) open, maintain and operate current, savings or   
 other deposit accounts in any bank and, if necessary,   
 to close such accounts;

(*d*) enter into and perform all such contracts or   
 agreements as may be necessary for the exercise of   
 the powers and the carrying out of the object of the   
 Productivity Commission;

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(*e*) hold, take or give on lease or hire, mortgage, pledge,   
 sell or otherwise dispose of any movable or   
 immovable property of the Productivity   
 Commission; and

(*f*) generally, to do all such acts and things authorized   
 by this Part and rules made thereunder for the   
 achievement of the object of the Productivity   
 Commission.

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| Duties and  functions of the Productivity  Commission | **135.** (1) The duties and functions of the Productivity Commission shall be to - | |
| (*a*) | make recommendations to the relevant authorities |

based on evidence and comprehensive analysis in   
order to increase productivity and economic   
performance including but not limited to the   
following: -

(i) streamlining regulation of productivity;

(ii) promoting healthy competition and   
 contestable markets;

(iii) catalysing structural transformation; and

(iv) encouraging international competitiveness;

(*b*) make recommendations to the Government on   
introducing a national competition policy and   
advise on subsequent revisions as needed from time   
to time;

(*c*) conduct public inquiries and evidence-based   
 research on issues related to productivity, either   
 in-house or contracted out, and disclose the   
 methodologies used for such inquiry or research;

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(*d*) carry out, performance, monitoring, evaluation   
 and benchmarking on the productivity;

(*e*) report annually to Parliament on the productivity   
 trends within the first four months of the following   
 year; and

(*f*) advocate on the need for productivity   
 improvement.

(2) In the performance and discharge of its duties and functions referred to in subsection (1), the Productivity Commission shall-

(*a*) act as referred to by the Cabinet of Ministers or   
 Parliament or on its own initiative;

(*b*) consider both the private sector and the public   
 sector including both tradable and non-tradable   
 goods and services;

(*c*) recognize the interests of the people and those   
 affected by the recommendations of the   
 Productivity Commission; and

(*d*) ensure sustainable economic development.

**136.** (1) The Productivity Commission shall make its Procedure to make recommendations on any matter referred to it and which falls recommendations

within the objects of this Part, within a period of six months from the date of receipt of such matter.

(2) In case of a matter referred to the Productivity Commission by the Cabinet of Ministers, the Productivity Commission shall refer its recommendations to the Cabinet of Ministers.

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(3) (*a*) In case of a matter referred to the Productivity Commission by Parliament or attended to by its own initiative, the Productivity Commission shall refer its recommendations to the Speaker.

(*b*) The Speaker shall cause to submit the recommendations referred to in paragraph (*a*) to a Committee of Parliament established under the Standing Orders of Parliament to review and make comments on, or to make amendments to such recommendations.

(*c*) The Committee of Parliament may forward such comments or amendments to the Speaker within thirty days from the date of receipt of such recommendations. The Speaker shall forward such comments or amendments to the Productivity Commission.

(*d*) The Productivity Commission shall, after taking into consideration the comments and amendments of the Committee of Parliament, make recommendations to the Speaker.

(4) The Productivity Commission may, on its own initiative seek an opportunity to apprise Parliament on critical issues pertaining to the exercise, performance and discharge of its powers, duties and functions or to submit any document or report relating thereto.

**CHAPTER XXIX**

COMPOSITIONOF, ANDTHE ADMINISTRATIONAND MANAGEMENTOF THE AFFAIRSOFTHE PRODUCTIVITY COMMISSION

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| Composition of the Productivity | **137.** (1) The Productivity Commission shall consist of- |

Commission

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(*a*) the Director General (Public Finance) of the Treasury   
 (hereinafter referred to as the “*ex-officio* member”;   
 and

(*b*) five members who shall be appointed by the   
 President (hereinafter referred to as the “appointed   
 members”).

(2) In making the appointments referred to in paragraph (*b*) of subsection (1), consideration shall be afforded to ensure that such members possess relevant knowledge, expertise and experience and national or international recognition, in the fields of Economics, Social Science, Investment, Finance, Trade or Commerce, Law, Information Technology, Engineering, Business or Accountancy.

(3) At least two appointed members of the Productivity Commission shall be full time members.

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| **138.** A person shall be disqualified from being appointed or continuing as a member of the Productivity Commission, if such person – | Disqualification for being a  member of the Productivity |

Commission (*a*) is not or ceases to be a citizen of Sri Lanka;

(*b*) is elected or appointed as a member of Parliament   
 or a Provincial Council or any local authority;

(*c*) is a member of a political party;

(*d*) subject to the provisions of section 142, has any   
 financial or other similar interest direct or indirect,   
 as is likely to affect prejudicially the performance   
 or discharge by him of his duties or functions as a   
 member of the Productivity Commission;

(*e*) is under any law in force in Sri Lanka or in any other   
country found or declared to be of unsound mind;

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(*f*) is a person who having been declared insolvent or   
 bankrupt under any law in force in Sri Lanka and is   
 an undischarged insolvent or bankrupt;

(*g*) is serving or has served a sentence of imprisonment   
imposed by any court in Sri Lanka or any other   
country; or

(*h*) directly or indirectly holds or enjoys any right,   
entitlement or benefit under any contract made   
by, or on behalf of the Productivity Commission.

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| Chairperson of the Productivity Commission | **139.** (1) The President shall appoint one of the appointed members to be the Chairperson of the Productivity Commission who shall not be a full-time member. |

(2) The Chairperson may resign from the office of Chairperson by letter in that behalf addressed to the President and such resignation shall be effective from the date on which it is accepted in writing by the President.

(3) The President may for reasons assigned therefor remove the Chairperson from the office of Chairperson.

(4) Subject to the provisions of subsections (2) and (3) the term of office of the Chairperson shall be the period of his term of office of the Productivity Commission.

(5) Where the Chairperson is temporarily unable to perform the duties of his office due to ill health, other infirmity, absence from Sri Lanka for a period not less than three months or any other cause, the President may appoint any other appointed member to act as the Chairperson in addition to his normal duties.

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| **140.** Every appointed member of the Productivity Commission shall, unless he vacates office earlier by death, resignation, or removal, hold office for a period of three | Term of office of appointed  members |

years, and unless removed from office shall be eligible for re-appointment, for not more than one further term, whether consecutive or otherwise.

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| **141.** (1) Any appointed member of the Productivity Commission may, at any time, resign his office by letter in that behalf addressed to the President, and such resignation shall take effect from the date on which the resignation is | Removal  resignation &c.  of appointed  members |

accepted in writing by the President.

(2) The President may, for reasons assigned therefor remove any appointed member from office. An appointed member who has been removed from office shall not be eligible for re-appointment as a member of the Productivity Commission or to serve the Productivity Commission in any other capacity.

(3) In the event of vacation of office by death, resignation or removal of any appointed member, the President shall, having regard to the provisions of sections 137 and 138, appoint another person to fill such vacancy and such person shall hold office for the un-expired period of the term of office of the member whom he succeeds and such person shall be eligible to be reappointed for not more than one further term whether consecutive or otherwise.

(4) Where any appointed member of the Productivity Commission is temporarily unable to perform and discharge the duties and functions of his office on account of ill health or any other cause or if he is absent from Sri Lanka for a period of not less than three months, the President may, having regard to the provisions of sections 137 and 138, appoint any other person to act in place of such member

during his absence.

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(5) Where any appointed member of the Productivity Commission fails to attend three consecutive meetings of the Productivity Commission without obtaining prior excuse for absence from the Chairperson, such member shall deemed to have vacated his office at the conclusion of the third meeting and the President shall appoint another person to fill such vacancy in the manner provided in subsection (3).

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| Financial interest of the members | **142.** (1) The President shall, prior to appointing a person as an appointed member of the Productivity Commission, require such person to declare that neither he nor his family |

has financial or other similar interest in the affairs of the Productivity Commission which is likely to affect prejudicially the performing and discharging of his duties and functions as a member of the Productivity Commission and the President shall satisfy himself of the matters so disclosed.

(2) The President shall also satisfy himself, from time to time, that no appointed member of the Productivity Commission has since being appointed to the Productivity Commission acquired any such financial or other similar interest.

(3) (*a*) A member of the Productivity Commission who is directly or indirectly interested in any contract, agreement, business or any other matter made or proposed to be made by the Productivity Commission, shall forthwith disclose the nature and extent of his interest to the Productivity Commission and the President, as the case may be.

(*b*) Every such disclosure shall be recorded in the minutes of the Productivity Commission and such member shall not thereafter take part in any matter concerning the Productivity Commission with regard to such contract, agreement, business or other matter.

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(4) The Productivity Commission shall maintain a register or a record of conflict of interest on case-by-case basis.

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| **143.** (1) The meetings of the Productivity Commission shall be held at least once in every month or as is required for the purpose of exercise, performance and discharge its powers, duties and functions conferred on, imposed on or | *Quorum* and  meetings of the Productivity  Commission |

assigned to the Productivity Commission by this Part.

(2) The *quorum* for a meeting of the Productivity Commission shall be three members including the Chairperson. In the absence of the Chairperson, the *quorum* shall be three members including the acting Chairperson.

(3) A meeting of the Productivity Commission may be held either-

(*a*) by the number of members who constitute a *quorum*   
 being assembled at the place, date and time   
 appointed for the meeting; or

(*b*) by means of audio-visual communication by which   
 all members participating and constituting a   
 *quorum* can simultaneously see and hear each   
 participating member for the duration of the meeting.

(4) The Chairperson shall preside at every meeting of the Productivity Commission. In the absence of the Chairperson from any meeting of the Productivity Commission, the member appointed to act in his place under subsection (5) of section 141 shall preside at such meeting.

(5) All questions for decision at any meeting of the Productivity Commission shall be decided by the vote of the majority of members present at such meeting. In the case of an equality of votes the Chairperson shall, in addition to his vote have a casting vote.

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(6) The Productivity Commission may act notwithstanding any vacancy among its members, and any act or proceeding of the Productivity Commission shall not be, or deemed to be, invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

(7) Subject to the preceding provisions of this section, the Productivity Commission may regulate the procedure to be followed for the summoning and holding of its meetings and the transaction of business at such meetings.

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| Remuneration of the members of the Productivity Commission | **144.** The Chairperson and members of the Productivity Commission shall be paid such remuneration in such manner and at such rates as may be determined by Parliament which |

shall be charged on the Consolidated Fund.

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| Seal of the  Productivity  Commission | **145.** (1) The seal of the Productivity Commission shall be as determined by the Productivity Commission. |

(2) The seal of the Productivity Commission –

(*a*) may be altered in such manner as may be determined   
by the Productivity Commission; and

(*b*) shall be in the custody of such person or persons as   
the Productivity Commission may determine from   
time to time.

(3) The seal of the Productivity Commission shall not be affixed to any instrument or document except with the sanction of the Productivity Commission and in the presence of the Chairperson and one other member of the Productivity Commission who shall sign the instrument or document in token of their presence:

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Provided however, where the Chairperson is unable to be present at the time when seal of the Productivity Commission is affixed to any instrument or document, any other member of the Productivity Commission authorized in writing by the Chairperson on that behalf shall be competent to sign such instrument or document in accordance with the preceding provisions of this subsection.

(4) The Productivity Commission shall maintain a register of the instruments and documents to which the seal of the Productivity Commission has been affixed.

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| **146.** (1) The Productivity Commission may, whenever it may consider necessary invite expert or professional to any meeting of the Productivity Commission who has expertise on any subject which will be dealt with by the Productivity | Productivity  Commission to invite experts or professionals to meetings |

Commission at such meetings for the purpose of obtaining their views on such subject matter for the effective performance and discharge of the duties and functions of the Productivity Commission, provided however the Productivity Commission shall have the absolute discretion of accepting or rejecting the views of the expert or professional.

(2) The expert or professional shall be paid such remuneration as may be determined by the Productivity Commission and shall have no voting rights.

(3) Every expert or professional invited by the Productivity Commission shall, prior to being engaged by the Productivity Commission, make a declaration required by section 154 and keep confidential all matters discussed

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by the Productivity Commission and any other information acquired by such expert or professional in terms of its engagement with the Productivity Commission. Every such expert or professional shall also make a declaration that he has no financial or other similar interest in the affairs of the Productivity Commission.

**CHAPTER XXX**

EXECUTIVE DIRECTORANDTHE STAFFOFTHE   
PRODUCTIVITY COMMISSION

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| Executive  Director of the Productivity  Commission | **147.** (1) There shall be appointed by the Productivity Commission, an Executive Director of the Productivity Commission (hereinafter referred to as the “Executive |

Director”), whose qualifications and experience and the terms and conditions of employment shall be as prescribed by regulation; and

(2) The Executive Director shall be the Chief Executive Officer of the Productivity Commission.

(3) The Executive Director shall, subject to the general directions and supervision of the Productivity Commission-

(*a*) be charged with the administration of the affairs of   
the Productivity Commission including the   
administration and control of the staff;

(*b*) function as the Accounting Officer of the   
Productivity Commission;

(*c*) be responsible for the execution of all decisions of   
 the Productivity Commission; and

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(*d*) carry out all such functions as may be assigned to   
 him by the Productivity Commission.

(4) The Executive Director shall be entitled to be present and speak at any meetings of the Productivity Commission, but shall not be entitled to vote at such meeting.

(5) The Executive Director may, with the written approval of the Productivity Commission, whenever he considers it necessary to do so, delegate in writing to any officer or employee of the Productivity Commission, any of his powers, duties or functions and the officer or employee to whom any such power, duty or function is delegated shall exercise, perform and discharge them subject to the directions of the Productivity Commission.

(6) The Productivity Commission may remove the Executive Director from office –

(*a*) if he becomes permanently incapable of exercising,   
 performing and discharging his powers, duties and   
 functions;

(*b*) if he had done any act which, in the opinion of the   
 Productivity Commission, is of a fraudulent or   
 illegal character or is prejudicial to the interests of   
 the Productivity Commission; or

(*c*) has failed to comply with any directions issued by   
 the Productivity Commission.

(7) The office of the Executive Director shall become vacant upon the death, removal from office under subsection (6) or resignation by letter in that behalf addressed to the Productivity Commission by the holder of such office.

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(8) If a vacancy occurs in the office of the Executive Director, the Productivity Commission may appoint a member of the Productivity Commission to exercise, perform and discharge the powers, duties and functions of the Executive Director until an appointment is made under subsection (1).

(9) The remuneration of the Executive Director shall be determined by the Productivity Commission in accordance with any written law and any guideline issued from time to time by the Government.

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| Appointment of the staff of  Productivity  Commission | **148.** (1) Subject to the provisions of this Part, the Productivity Commission may appoint such number of officers and employees as may be necessary for the efficient |

exercise, performance and discharge of its powers, duties and functions.

(2) Subject to any written law and any guideline issued from time to time by the Government, the Productivity Commission shall determine the following matters in respect of the officers and employees appointed under subsection (1): –

(*a*) disciplinary control over or dismissal such officers   
and employees;

(*b*) the terms and conditions of employment of such   
officers and employees including the scheme of   
recruitment; and

(*c*) the rates at which such officers and employees shall   
 be remunerated.

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(3) The Productivity Commission shall not, however, appoint as an officer or employee of the Productivity Commission, any person who has been dismissed from any previous position held by such person in the public or private sector.

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| **149.** (1) At the request of the Productivity Commission, any officer in the public service may, with the consent of that officer and of the Public Service Commission, be temporarily appointed to the staff of the Productivity Commission for such period as may be determined by the | Appointment of public officers to the staff of  the Productivity Commission |

Productivity Commission, or with like consent, be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Productivity Commission, 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 such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Productivity Commission, 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 such officer.

**CHAPTER XXXI**

FINANCE

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| **150.** (1) The productivity Commission shall have its own Fund. | Fund of the  Productivity  Commission |

(2) There shall be credited to the Fund –

(*a*) all such sums of money as may be voted by   
 Parliament, from time to time, for the use of the   
 Productivity Commission; and

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(*b*) all such sums of money as may be received by the   
Productivity Commission for the exercise,   
performance and discharge of its powers, duties and   
functions and for the promotion of the object of the   
Productivity Commission, by way of loans   
donations, gifts, bequests or grants from whatsoever   
source within or outside Sri Lanka.

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

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| Financial year and audit of  accounts of the | **151.** (1) The financial year of the Productivity Commission shall be the calendar year. |

Productivity   
Commission (2) The Productivity Commission shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other financial transactions of the Productivity Commission.

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

**CHAPTER XXXII**

GENERAL PROVISIONS

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| Establishment of committees or  panels | **152.** (1) The Productivity Commission may establish committees and panels to assist it in the exercise, performance and discharge of its powers, duties and functions under this |

Partand may appoint such persons, who have the knowledge and expertise in the fields of Economics, Investment, Finance, Trade or Commerce, Law, Information Technology,

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Engineering, Business or Accountancy, as the Productivity Commission may deem necessary to be members of any such committee or panel.

(2) A committee or panel shall carry out its functions and fulfil its obligations as stipulated in the terms of reference given to such committee or panel by the Productivity Commission.

(3) The Productivity Commission may, where it may consider necessary, co-opt as a member to a committee or panel, any person who possesses the required knowledge and expertise in the relevant field.

(4) The honorarium of the members of such committees or panels shall be determined by the Productivity Commission in accordance with any written law and any guideline issued from time to time by the Government.

(5) The members of such committee or panel shall be present at the meeting for which their presence is required and express their opinions but shall have no voting rights at such meetings.

**153.** (1) The Productivity Commission shall, within four Annual reports months of the end of each financial year, submit to the   
Speaker an annual report on the activities carried out by the   
Productivity Commission. The following documents shall   
be attached to such report: -

(*a*) the audited accounts of the Productivity   
 Commission for the year along with the Auditor-  
 General’s report; and

(*b*) a report of proposed activities for the year   
 immediately following the year to which such report   
 and accounts relate.

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(2) The Speaker shall, within three months from the date of receipt of the annual report, table such annual report along with the documents specified in subsection (1) in Parliament for its consideration.

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| Declaration of secrecy | **154.** Every member of the Productivity Commission, Executive Director and all officers and employees of the |

Productivity Commission and all experts or professionals consulted by the Productivity Commission under section 146 and members of committees or panels appointed under section 152, shall, before entering upon his duties, sign a declaration pledging to observe strict secrecy in respect of all matters connected with the affairs of the Productivity Commission, which has come to his knowledge in the exercise, performance or discharge of his powers, duties or functions under this Part and by such declaration pledge himself not to disclose any such matter except-

(*a*) when required to do so by a court of law;

(*b*) for the purpose of exercising, performing or   
discharging the powers, duties and functions under   
this Partor any other written law; or

(*c*) in order to comply with the provisions of the Right   
 to Information Act, No.12 of 2016.

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| Failing to  provide  information &c. to be an offence | **155.** (1) In the performance and discharge of any of its duties and functions under this Part, the Productivity Commission or any officer or employee of the Productivity Commission authorized in that behalf by the Productivity |

Commission may, by a notice in writing require any public institution or any person to furnish to the Productivity Commission or to the officer or employee of the Productivity Commission, within such period as shall be specified in such notice, such information, data, statistics, or document as shall be specified in such notice.

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(2) It shall be the duty of the head of such public

institution or such person who is required by notice under

subsection (1), to furnish any information, data, statistics or

document within the period specified in such notice, to the

extent permitted under the Right to Information Act, No. 12

of 2016.

(3) Any person who-

(*a*) fails or refuses to furnish any information, data,

statistics or document when required to do so under

this section; or

(*b*) makes any statement or submits an information,

data, statistics or a document knowing it to be false

or misleading,

commits an offence under this Part and shall, on conviction

by a Magistrate be liable to a fine not more than five hundred

thousand rupees.

**156.** Where a body of persons is convicted of an offence Offence by body

under this Part, then-of persons

(*a*) if such body of persons is a body incorporate or

unincorporated, every director or officer or agent

thereof; and

(*b*) if such body of persons is a firm, every partner**,** any

officer or a member of such firm,

shall be liable to a fine as specified for the respective offence:

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Provided however, a director or an officer or an agent

of such body incorporate, unincorporated or partner of such

firm shall not be deemed to be guilty of such offence if he

proves that such offence was committed without his

knowledge or that he used all due diligence to prevent the

commission of such offence.

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| Members of the Productivity  Commission,  the Executive  Director,  officers and  employees of | **157.** All members of the Productivity Commission, the Executive Director, officers and employees of the Productivity Commission shall be deemed to be public servants within the meaning and for the purposes of the Penal Code (Chapter 19). |

the Productivity   
Commission   
deemed to be   
public servants

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| Productivity  Commission  deemed to be a scheduled  institution  Expenses in suit or prosecution  to be paid out of the Fund | **158.** The Productivity Commission shall be deemed to be a scheduled institution within the meaning and for the purposes of the Anti- Corruption Act, No. 9 of 2023 and the provisions of that Act shall be construed accordingly.  **159.** (1) Any expense incurred by the Productivity Commission in any suit or prosecution brought by or against the Productivity Commission before any court or tribunal, |

shall be paid out of the Fund of the Productivity Commission

and any costs paid to, or recovered by the Productivity

Commission in any such suit or prosecution shall be credited

to the Fund of the Productivity Commission.

(2) Any expense incurred by any member of the

Productivity Commission, the Executive Director or any

officer or employee of the Productivity Commission in any

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suit or prosecution brought against such person before any court or tribunal in respect of any act which is done or is purported to be done by such person under the provisions of this Part or on the direction of the Productivity Commission shall, if the court or tribunal holds that such act was done in good faith, be paid out of the Fund of the Productivity Commission, unless such expense is recovered by such person in such suit or prosecution.

**160.** (1) The Productivity Commission may, subject to Rules the provisions of this Part, make rules in respect of any matter   
for which rules are authorised to be made under this Part and   
all or any of the following matters: –

(*a*) for the regulation of the procedure to be followed   
 for the summoning and holding of meetings of the   
 Productivity Commission and the transaction of   
 business at such meetings;

(*b*) the form in which the information is to be provided   
 under section 155 to the Productivity Commission;

(*c*) the methodologies which shall be used to conduct   
 public inquiries and evidence-based research on   
 productivity; and

(*d*) any other matter connected with the management   
 of the affairs of the Productivity Commission.

(2) Every rule made by the Productivity Commission shall be published in the *Gazette* and shall come into operation on the date of its publication or on such later date as may be specified therein.

**161.** In this Part, unless the context otherwise requires- Interpretation

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“person” includes any body of persons whether   
corporate or unincorporated and a natural   
person;

“public institution” includes a Government   
Ministry, Government department, Provincial   
Council, Provincial Ministry or a department,   
local authority or any other agency established   
under any written law with the financial support   
by Government of Sri Lanka; and

“relevant authorities’ includes the Cabinet of   
 Ministers and Parliament.

PART VI

**CHAPTER XXXIII**

ESTABLISHMENTOFTHE SRI LANKA INSTITUTEOF ECONOMICSAND INTERNATIONAL TRADE

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| Establishment of the Sri Lanka  Institute of  Economics and | **162.** (1) There shall be established an Institute which shall be called the Sri Lanka Institute of Economics and International Trade (hereinafter referred to as the “Institute”). |

International

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| Trade | (2) The Institute shall, by the name assigned to it by |

subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in such name.

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| Objects of the  Institute | **163.** The objects of the Institute shall be – | |
| (*a*) | to be a platform for research and policy making |

relating to economics, international finance and   
international trade;

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(*b*) to provide cutting edge research and studies in the   
 fields of economics, international finance and   
 international trade;

(*c*) to contribute ideas for stimulating policies and   
 concepts relating to economics, international   
 finance and international trade; and

(*d*) to research effective international trade and regional   
 trade integration polices.

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| **164.** The powers, duties and functions of the Institute shall be – | | Powers, duties  and functions of the Institute |
| (*a*) | to initiate, promote and facilitate measures for |

development of knowledge and skills in economics,   
international finance and international trade studies   
among parliamentarians, public officers as may be   
specified by rulesand representatives of the private   
sector;

(*b*) to arrange seminars, lectures, face-to-face training,   
 study tours, practitioner exchanges, peer-learning   
 and other modes for the dissemination of   
 knowledge in economics, international finance and   
 international trade among parliamentarians, senior   
 public officials and representatives of the private   
 sector;

(*c*) to foster dialogue and partnerships in the field of   
 studies of economics, international finance and   
 international tradeamong political leaders, public   
 officers, academia, business leaders, donor agencies   
 and members of global institutions;

(*d*) to liaise with leaders of locally and globally reputed   
 Think Tanks, experts, academics and resource

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persons in the fields of economics, international   
finance and international tradewithin and outside   
Sri Lanka to deliver instructions and to participate   
in training activities;

(*e*) to undertake training and research on behalf of   
 Parliament and State institutions including in   
 collaboration with local Think Tanks and transform   
 research outcomes to achievableaction plans which   
 the Government stakeholders may incorporate in   
 their planning exercises;

(*f*) to receive grants, gifts or donations in cash or kind:

Provided however, the Institute shall obtain the   
prior written approval of the Department of External   
Resources of the Ministry of the Minister assigned   
the subject of Finance, in respect of all foreign   
grants, gifts or donations made to the Institute;

(*g*) to open and maintain any account with any bank as   
it may think appropriate and such account shall be   
operated in accordance with prevailing applicable   
written laws;

(*h*) to manage, control, administer and operate the Fund   
of the Institute;

(*i*) to invest such amount of money belonging to the   
 Institute as are not immediately required for the   
 purposes of this Part;

(*j*) to purchase, hold, take or give on lease or hire,   
 mortgage, pledge, sell or otherwise dispose of any   
 movable or immovable property;

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(*k*) to enter into and perform either directly or indirectly   
 through any officer or agent of the Institute, all   
 such contracts or agreements as may be necessary,   
 for the exercise of the powers**,** performance of its   
 duties and the discharge of its functions;

(*l*) to make rules in respect of the administration of the   
 affairs of the Institute;

(*m*) to levy fees or charges for any service rendered by the Institute;

(*n*) to appoint, employ, remunerate and exercise   
 disciplinary control over, such officers, servants and   
 agents as may be necessary for the carrying out the   
 objects of the Institute;

(*o*) to train officers and employees of the Institute   
 within or outside Sri Lanka; and

(*p*) do all such other acts which may be incidental or   
 conducive to the attainment of the objects of this   
 Part or the exercise of the powers assigned to the   
 Institute under this Part.

**CHAPTER XXXIV**

ADMINISTRATIONAND MANAGEMENTOFTHE AFFAIRS   
OFTHE INSTITUTE

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| **165.** (1) The administration, management and control of the affairs of the Institute shall be vested in a Board of Governors (in this Part referred to as the “Institute Board”). | Administration  and management of the Institute |

(2) The Institute Board shall, for the purpose of administering the affairs of the Institute, exercise, perform and discharge the powers, duties and functions conferred on, assigned to or imposed on the Institute by this Part.

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| Constitution of the Institute  Board | **166.** The Institute Board shall consist of – | | |
| (*a*) | the following *ex-officio* members, namely:– | |
| (i) | | the Secretary to the Treasury or his nominee |

who shall be an officer not below the rank of   
a Director General of a Department in the   
Ministry of the Minister assigned the subject   
of Finance;

(ii) a nominee of the Economic Commission;

(iii) the Ambassador for International Trade;

(*b*) three members appointed by the Minister who shall   
possess academic and professional qualifications   
and has experience in one or more of the fields of   
Economics, International Finance and International   
Trade Studies; and

(*c*) the following nominated members: -

(i) a member nominated by the Ceylon Chamber   
 of Commerce established by Ceylon

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| Chamber | of | Commerce | Ordinance |

(Chapter 289);

(ii) a member nominated by the Federation of   
 Chambers of Commerce and Industry of Sri   
 Lanka registered under the Companies Act,   
 No. 07 of 2007; and

(iii) a Professor of Economics nominated by the   
 University Grants Commission established by   
 the Universities Act, No. 16 of 1978.

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| **167.** (1) The Minister shall appoint one of the appointed members to be the Chairperson of the Institute Board. | Chairperson of the Institute  Board |

(2) The Chairperson may resign from his office by letter addressed to the Minister and such resignation shall be effective from the date on which it is accepted by the Minister.

(3) The Minister may, for reasons assigned in writing remove the Chairperson from the office of the Chairperson.

(4) Subject to the provisions of subsections (2) and (3), the term of office of the Chairperson shall be the period of his membership of the Institute Board.

(5) Where the Chairperson is temporarily unable to exercise, perform and discharge the powers, duties and functions of his office due to ill health, other infirmity, absence from Sri Lanka or any other cause, the Minister may appoint any other appointed member to act as the Chairperson in addition to his normal duties as an appointed member.

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| **168.** A person shall be disqualified from being appointed or continuing as a member of the Institute Board, if he – | | Disqualifications from being a  member of the  Institute Board |
| (*a*) | is or becomes a member of Parliament or of any |

Provincial Council or of any local authority;

(*b*) is not or ceases to be a citizen of Sri Lanka;

(*c*) is under any law in force in Sri Lanka or any other   
 country found or declared to be of unsound mind;

(*d*) is a person who having been declared insolvent or   
 bankrupt under any law in force in Sri Lanka and is   
 an undischarged insolvent or bankrupt;

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(*e*) is subject to an ongoing investigation in respect of   
 an offence involving dangerous drugs, narcotic   
 drugs or psychotropic substances or fraud;

(*f*) is serving or has served a sentence of imprisonment   
 of more than six months imposed by any court in   
 Sri Lanka or any other country;

(*g*) holds or enjoys any right or benefit under any   
contract made by or on behalf of the Institute; or

(*h*) has any financial or other interest as is likely to   
affect prejudicially the discharge by him of his   
functions as a member of the Institute Board.

Term of office **169.** Every appointed member of the Institute Board shall, unless he vacates office earlier by resignation, death or removal, hold office for a period of three years from the date of his appointment and unless is removed from office shall be eligible for reappointment for not more than one further term, whether consecutive or otherwise.

Resignation and **170.** (1) Any appointed member of the Institute Board removal may at any time, resign from his office by a letter to that effect, addressed to the Minister, and such resignation shall be effective from the date on which it is accepted by the Minister in writing.

(2) Where any appointed member by reason of illness, infirmity or absence from Sri Lanka is temporarily unable to discharge the functions of his office, the Minister may, having regard to the provisions of sections 166 and 168, appoint some other person to act in his place.

(3) The Minister may for reasons assigned in writing, remove an appointed member from office. An appointed

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member who has been removed from office shall not be eligible for reappointment as a member of the Institute Board or to serve the Institute Board in any other capacity.

(4) Where an appointed member dies, resigns or is removed from office, the Minister may, having regard to the provisions of sections 166 and 168, appoint another person in his place and the person so appointed shall hold office for the unexpired period of the term of office of the member whom he succeeds.

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| **171.** (1) The meetings of the Institute Board shall be held at least once in every month and the *quorum* for a meeting of the Institute Board shall be three members. | *Quorum* and  meetings of the Institute Board |

(2) The Chairperson shall preside at every meeting of the Institute Board. In the absence of the Chairperson from any meeting of the Institute Board, a member elected by the members present shall preside at such meeting.

(3) A meeting of the Institute Board may be held either-

(*a*) by the number of members who constitute a *quorum*   
 being assembled at the place, date and time   
 appointed for the meeting; or

(*b*) by means of audio-visual communication by which   
 all members participating and constituting a   
 *quorum* can simultaneously see and hear each   
 participating member for the duration of the meeting.

(4) All questions for a decision at any meeting of the Institute Board shall be decided by the vote of the majority of members present at such meeting. In the case of an equality of votes, the Chairperson or the presiding member shall, in addition to his vote have a casting vote.

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(5) Subject to the preceding provisions of this section, the Institute Board may regulate the procedure in relation to the meetings of the Institute Board and the transaction of business at such meetings.

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| Acts or  proceedings of  the Institute  Board deemed  not to be invalid by reason of any vacancy | **172.** The Institute Board may act, notwithstanding any vacancy among its members and any act or proceeding of the Institute Board shall not be or deemed to be invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member |

thereof.

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| Remuneration of the  members of  the Institute  Board  Seal of the  Institute | **173.** The members of the Institute Board shall be paid remuneration in such manner and at such rates as may be determined by the Minister, with the concurrence of the Minister assigned the subject of Finance.  **174.** (1) The seal of the Institute – | |
| (*a*) | shall be in the custody of such person as the Institute |

Board may determine from time to time;

(*b*) may be altered in such manner as may be determined   
by the Institute Board; and

(*c*) shall not be affixed to any instrument or document   
 except with the sanction of the Institute Board and   
 in the presence of the Chairperson and one other   
 member of the Institute Board who shall sign the   
 instrument or document in token of their presence:

Provided however, where the Chairperson is   
unable to be present at the time when the seal of the   
Institute is affixed to any instrument or document,

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any other member of the Institute Board authorised   
in writing by the Chairperson in that behalf shall   
be competent to sign such instrument or document   
in accordance with the preceding provisions of this   
subsection.

(2) The Institute shall maintain a register of the instruments and documents to which the seal of the Institute has been affixed.

**CHAPTER XXXV**

DIRECTORANDTHE STAFFOFTHE INSTITUTE

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| **175.** (1) There shall be a Director of the Institute appointed by the Minister, in consultation with the Institute Board. The Director, unless he vacates office earlier by death, by | Appointment of an Advisory  Committee |

operation of law, resignation or removal shall hold office for a term of five years and shall be eligible for reappointment subject to a maximum period of any two terms of office whether consecutive or otherwise.

(2) The qualifications and experience of the person who shall be appointed as the Director and the terms and conditions of employment of the Director shall be as prescribed by regulation.

(3) The Director shall, subject to the general directions and supervision of the Institute Board –

(*a*) be charged with the administration of the affairs of   
 the Institute including the administration and   
 control of the staff;

(*b*) be responsible for the execution of all decisions of   
 the Institute Board; and

(*c*) carry out all such functions as may be assigned to   
him by the Institute Board.

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(4) The Director shall be present and speak at any meeting of the Institute Board, but shall not be entitled to vote at such meeting.

(5) The Director may, with the approval of the Institute Board, wherever he considers it necessary to do so, delegate in writing to any officer or employee of the Institute, any of his powers, duties or functions conferred or imposed on, or assigned to him by this Part and the officer or employee to whom any such power, duty or function is delegated shall exercise, perform or discharge them, subject to the directions of the Director.

(6) The Minister may, on the recommendation of the Institute Board, remove the Director from office –

(*a*) if he becomes permanently incapable of performing   
his duties;

(*b*) if he had done any act which the Institute Board   
has decided to be of a fraudulent or illegal character   
or is prejudicial to the interests of the Institute; or

(*c*) has failed to comply with any direction issued by   
 the Institute Board.

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| Staff of the  Institute and remuneration | **176.** (1) Subject to the provisions of this Part, the Institute may employ or appoint such officers and employees as may be necessary for the efficient exercise, performance and |

discharge of its powers, duties and functions.

(2) The Director and the staff of the Institute shall be remunerated in such manner and at such rates, and shall be subject to such conditions of service as may be determined by the Minister, in consultation with the Minister assigned the subject of Finance.

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| **177.** (1) At the request of the Institute any officer in the public service may, with the consent of that officer and the Public Service Commission be temporarily appointed to the staff of the Institute for such period as may be determined by | Appointment of public officer to the staff of the  Institute |

the Institute or with like consent, be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Institute, 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 such officer.

(3) Where any officer in the public service is permanently appointed to the staff of the Institute, 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 such officer.

(4) Where the Institute 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 Institute by that person shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

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| **178.** (1) At the request of the Institute, any officer or employee of any higher educational Institution established under the Universities Act, No. 16 of 1978 may, with the consent of that officer or employee and the principal executive officer of that higher educational institution be | Appointment of official from  higher  educational  institution to the Institute |

temporarily appointed to the staff of the Institute. Such appointment shall be for a period as may be determined by the Institute or with the consent be permanently appointed to such staff, on such terms and conditions including those relating to pension or provident fund rights, as may be agreed upon by the Institute and such principal executive officer.

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(2) Where any officer is temporarily appointed to the staff of the Institute under subsection (1), such person shall be subject to the same disciplinary control as any other member of the staff of the Institute.

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| Appointment of an Advisory  Committee | **179.** (1) The Institute Board may – | |
| (*a*) | appoint an Advisory Committee as it may consider |

necessary or appropriate constituting of such   
persons selected from among persons having   
academic or professional qualifications or   
representing professional institutions or non-  
governmental organizations to assist it in the   
exercise, performance and discharge of its powers,   
duties and functions under this Part; and

(*b*) obtain the services of any expert outside its   
permanent staff, as advisors or consultants.

(2) The Institute Board may assign to an Advisory Committee established under subsection (1), such of its powers, duties or functions as it may consider necessary, however, the Institute Board shall not be divested of any such power, duty or function so assigned. The Institute Board shall have the power to amend or revoke any decision made by an Advisory Committee.

(3) (*a*) It shall be the duty of the Institute Board to ensure that no person who has a conflict of interest or is in a position to exercise undue influence on any decision that the Institute Board is called upon to make under this Part or any regulations or rules made thereunder, is appointed under subsection (1) as a member of the Advisory Committee or as an expert.

(*b*) For the purpose of this subsection “undue influence”means manipulating or coercing the Institute Board in making its decisions it would not willingly undertake under normal circumstances.

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(4) The members of the Advisory Committee and any expert under subsection (1) may be paid out of the Fund of the Institute, such allowance as the Minister may determine with the concurrence of the Minister assigned the subject of Finance.

(5) The Institute Board shall make rules for the procedure in regard to the meetings of the Advisory Committee and the transaction of business at such meetings.

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| **180.** (1) For the purposes of thisPart, the Institute Board may appoint a Team of Instructors and an Operations Team from universities and public institutions that produce economic, international finance and international trade | Team of  Instructors and Operations  Team |

knowledge and from privately funded independent Think Tanks on secondment basis.

(2) Any person appointed to the Team of Instructors and the Operations Team, as the case may be, shall be subject to the provisions of this Part.

(3) The members of the Team of Instructors and the Operations Team shall be paid remuneration in such manner and at such rates as may be determined by the Minister with the concurrence of the Minister assigned the subject of Finance.

**CHAPTER XXXVI**

FINANCE

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| **181.** (1) The Institute shall have its own Fund (hereinafter referred to as “the Fund”). | Fund of the  Institute |

(2) There shall be credited to the Fund –

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(*a*) all sums of money as may be voted from time to   
time by Parliament, for the use of the Institute;

(*b*) all such sums of money as may be received by the   
Institute in the exercise, performance and discharge   
of its powers, duties and functions under this Part;   
and

(*c*) all such sums of money as may be received by the   
 Institute by way of income, fees, charges, grants,   
 gifts or donations from any source whatsoever   
 whether within or outside Sri Lanka:

Provided that, the Institute shall obtain the   
prior written approval of the Department of External   
Resources of the Ministry of the Minister assigned   
the subject of Finance, in respect of all foreign   
grants, gifts or donations made to the Institute.

(3) There shall be paid out of the Fund –

(*a*) all such sums of money as are required to defray   
any expenditure incurred by the Institute in the   
exercise, performance and discharge of its powers,   
duties and functions under thisPart; and

(*b*) all such sums of money as are required to be paid   
out of the Fund by or under this Part.

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| Financial year and audit of  accounts | **182.** (1) The financial year of the Institute shall be the calendar year. |

(2) The Institute Board shall cause proper books of accounts to be kept of the income and expenditure, assets and liabilities and all other transactions of the Institute.

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(3) The provisions of Article 154 of the Constitution and the National Audit Act, No. 19 of 2018 relating to the audit of the accounts of public corporations shall apply to the audit of accounts of the Institute.

(4) The Institute Board shall submit the audited statement of accounts together with the auditor’s report to the Minister within one hundred and fifty days of the end of the financial year to which such report relates. The Minister shall place such statement and the report before Parliament within two months of the receipt thereof.

**CHAPTER XXXVII**

GENERAL PROVISIONS

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| **183.** No civil or criminal proceedings shall be instituted against any member of the Institute Board, the Director, any officer or employee of the Institute or any member of the | Protection for action taken  under this Part |

Advisory Committee, Team of Instructors or an Operations Team, for any act which in good faith is done or purported to be done by him under this Part or on the directions of the Institute or the Institute Board, as the case may be, if he proves that he acted in good faith and exercised due diligence, reasonable care and skill.

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| **184.** (1) Every member of the Institute Board, the Director, and every officer or employee of the Institute or every member of the Advisory Committee, Team of Instructors or | Duty to  maintain  Secrecy |

Operations Team, shall, before entering into the duties of his office sign a declaration that he will not disclose any information received by him or coming to his knowledge in the exercise, performance and discharge of his powers, duties and functions under this Partexcept for the purpose of giving effect to the provisions of this Part to the extent permitted under the provisions of the Right to Information Act, No. 12 of 2016.

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(2) Any person who contravenes the provisions of subsection (1) commits an offence under this Part, and shall be liable on conviction after summary trial by a Magistrate to a fine not exceeding one hundred thousand rupees or imprisonment of either description for a term not exceeding twelve months or to both such fine and imprisonment.

Database **185**. (1) The Institute shall create, manage and maintain a database of all information collected under the provisions of this Part.

(2) The Institute shall take all necessary steps including technical safeguards to ensure the security of all its databases and data.

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| Institute deemed to be a  scheduled  institution | **186.** The Institute shall be deemed to be a scheduled institution within the meaning of the Anti- Corruption Act, No. 9 of 2023 and the provisions of that Act shall be construed |

accordingly.

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| Members,  Director,  officers and  employees of  the Institute  deemed to be  public servants  Directions of the Minister | **187.** All members of the Institute Board, Advisory Committee, Team of Instructors and Operations Team, the Director and all officers and employees of the Institute shall be deemed to be public servants within the meaning and for the purposes of the Penal Code (Chapter 19).  **188.** The Minister may, from time to time, issue to the Institute Board general or special directions as to the |

exercise, performance and discharge of the powers, duties and functions of the Institute Board.

Rules **189.** (1) Subject to the provisions of this Part, the Institute Board may make rules in respect of all or any of the following matters: -

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(*a*) all matters for which rules are authorized or required   
 to be made under this Part;

(*b*) the meetings of the Institute Board and the   
 Advisory Committee and the procedure to be   
 followed at such meetings; and

(*c*) the appointment, promotion, remuneration and   
 disciplinary control of officers and employees and   
 the grant of leave and other emoluments to officers   
 and employees.

(2) Every rule made by the Institute shall be approved by the Minister and published in the *Gazette* and shall come into operation on the date of its publication or on such later date as may be specified therein.

**190.** (1) The Minister shall make regulations for the Regulations purpose of carrying out and giving effect to the principles   
and provisions of this Part.

(2) Every regulation made by the Minister within three months 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 such disapproval but without prejudice to anything previously done thereunder.

(3) Notification of the date on which any regulation is so disapproved shall be published in the *Gazette*.

**191.** In this Part, unless the context otherwise requires-Interpretation

“Minister” means the Minister assigned the subject   
and function of the Institute under Article 44 or   
45 of the Constitution;

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“Think Tank” means a policy institute or a research   
institute that performs research and advocacy in   
the fields of economics, international finance   
and international trade.

PART VII

**CHAPTER XXXVIII**

MISCELLANEOUS

Regulations **192.** (1) The Minister may, in consultation with the Economic Commission, make regulations in respect of all matters which are required by this Act to be prescribed or in respect of which regulations are required or authorized to be made under this Act.

(2) Every regulation made under subsection (1) shall be published in the *Gazette* and shall come into operation on the date of publication or on such later date as may be specified therein.

(3) Every regulation made under subsection (1) shall, within three months from the date of its publication in the *Gazette*, be placed before Parliament for approval. Every 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.

(4) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

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| Repeals and  savings | **193**. (1) The Board of Investment of Sri Lanka Law, No. 4 of 1978 is hereby repealed (in this Act referred to as the |

“repealed Law”).

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(2) Notwithstanding the repeal of the Board of Investment of Sri Lanka Law, No. 4 of 1978 -

(*a*) every reference to the repealed law or any provision   
 thereof in any other written law shall be construed   
 as a reference to Part II, Part III or this Part or the   
 corresponding provisions contained in Part II, Part   
 III or this Part, as the case may be;

(*b*) every reference to the BOI in any other written law   
 shall be construed as a reference to the Economic   
 Commission or Zones SL in the corresponding   
 provisions in Part II or Part III, as the case may be;

(*c*) the members of the Board of the BOI under the   
 repealed Law, functioning as such on the day   
 immediately preceding the appointed date shall be   
 deemed to be the members of the Board of the   
 Economic Commission for the purposes of Part II,   
 Part III and this Part until a new Board of the   
 Economic Commission is appointed under Part II;

(*d*) all approvals, licences, authorizations and   
 permissionsissued by the BOI and in force on the   
 day immediately preceding the appointed date   
 shall, subject to such modifications asagreed   
 between the Economic Commission or Zone SL, as   
 the case may be and the investor continueto be   
 valid and in force;

(*e*) all approvals, licences, authorisations and   
 permissions issued and contracts, agreements or   
 other instruments entered into under any other   
 written law for the purpose of promoting and   
 facilitating investment and in force on the day

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immediately preceding the appointed date shall,   
subject to such modifications asagreed between   
the Economic Commission or Zone SL, as the case   
may be and the investor continueto be valid and   
in force;

(*f*) all regulations, rules, directives and Orders made   
 under the repealed Law and in force on the day   
 immediately preceding the appointed date shall, in   
 so far as such regulations, rules, directives and   
 Orders are not inconsistent with the provisions of   
 this Act shall be deemed to be made under this Act,   
 and such regulations, rules, directives and Orders   
 may be amended, rescinded or altered by   
 regulations, rules, directives or Orders made under   
 this Act;

(*g*) all property, both movable and immovable, which   
were owned by or was in the possession of the BOI   
in terms of the repealed Law-

(i) and existing on the day immediately   
 preceding the appointed date shall, subject   
 to the provisions of subparagraph (ii), with   
 effect from the appointed date be deemed to   
 be the property of orbein the possession of   
 the Economic Commission, as the case may   
 be; and

(ii) in respect of licensed zones and existing on   
 the day immediately preceding the appointed   
 date shall, with effect from the appointed date   
 be deemed to be the property of orbein the   
 possession of the Zones SL, as the case   
 may be;

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(*h*) all contracts, agreements and other instruments   
 entered into by or with the BOI under the repealed   
 Law -

(i) and subsisting on the day immediately   
 preceding the appointed date shall, subject   
 to the provisions of subparagraph (ii), be   
 deemed to be contracts, agreements and   
 instruments entered into by or with or for the   
 Economic Commission and all rights,   
 privileges, obligations, debts and liabilities   
 of the BOI subsisting on the day immediately   
 preceding the appointed date shall be deemed   
 to be rights, privileges, obligations, debts and   
 liabilities of the Economic Commission under   
 Part II; and

(ii) in respect of licensed zones and enterprises   
 located therein and subsisting on the day   
 immediately preceding the appointed date   
 shall be deemed to be contracts, agreements   
 and instruments entered into by or with or for   
 the Zones SL and all rights, privileges,   
 obligations, debts and liabilities of the BOI   
 in respect thereof subsisting on the day   
 immediately preceding the appointed date   
 shall be deemed to be rights, privileges,   
 obligations, debts and liabilities of the Zones   
 SL under Part III;

(*i*) any application made under the provisions of the   
 repealed Law-

(i) shall, subject to the provisions of   
 subparagraph (ii), with effect from the   
 appointed date be deemed to be

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an application made to the Economic   
Commission established under Part II and   
shall be dealt with accordingly; and

(ii) relating to licensed zones and enterprises   
 located therein shall, with effect from the   
 appointed date be deemed to be an   
 application made to the Zones SL established   
 under Part III and shall be dealt with   
 accordingly;

(*j*) all sums of money lying to the credit of the Fund of   
 the BOI and existing on the day immediately   
 preceding the appointed date shall, with effect from   
 the appointed date stand transferred to the Fund of   
 the Economic Commission established under   
 Part II;

(*k*) all suits, actions or other legal proceedings   
 instituted by or against the BOI-

(i) and pending on the day immediately   
 preceding the appointed date shall**,** subject   
 to the provisions of subparagraph (ii),be   
 deemed, with effect from the appointed date   
 to be suits, actions or other legal proceedings   
 instituted by or against the Economic   
 Commission; and

(ii) in respect of licensed zones or enterprises   
 located therein, with regard to the matters that   
 fall within the purview of the Zones SL and   
 pending on the day immediately preceding   
 the appointed date shall, be deemed with   
 effect from the appointed date to be suits,   
 actions or other legal proceedings instituted   
 by or against the Zones SL under Part III:

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Provided however, any suit, action or   
other legal proceeding instituted by or   
against the BOI pertaining to matters that fall   
within the purview of both the Economic   
Commission and Zones SL and pending on   
the day immediately preceding the appointed   
date shall, with effect from the appointed date   
be deemed to be suits, actions and other legal   
proceedings instituted by or against boththe   
Economic Commission and Zones SL;

(*l*) all interests, rights, assets, obligations, debts and   
 liabilities of the BOI-

(i) and pending on the day immediately   
 preceding the appointed date shall, subject   
 to the provisions of subparagraph (ii), be   
 deemed with effect from the appointed date   
 to be the interests, rights, assets, obligations,   
 debts and liabilities of the Economic   
 Commission; and

(ii) in respect of licensed zones and enterprises   
 located therein and pending on the day   
 immediately preceding the appointed date   
 shall be deemed, with effect from the   
 appointed date deemed to be interests, rights,   
 assets, obligations, debts and liabilities of the   
 Zones SL;

(*m*) the officers and employees of the BOI, holding office on the day immediately preceding the appointed date -

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(i) shall be deemed, with effect from the   
 appointed date to be officers and employees   
 of the Economic Commission, on terms and   
 conditions not less favourable than the terms   
 and conditions of employment to which they   
 were entitled; and

(ii) attached to licensed zones, shall be deemed,   
 with effect from the appointed date to be   
 officers and employees of the Zones SL, on   
 terms and conditions not less favourable than   
 the terms and conditions of employment to   
 which they were entitled:

Provided that the period that an employee   
served with the BOI shall be taken into   
consideration when calculating the statutory   
payments that are payable to such employee;

(*n*) the officers and employees of the BOI, holding   
office on the day immediately preceding the   
appointed date who do not opt to join the service   
of the Economic Commission or the Zones SL, shall   
be paid such compensation in terms of a voluntary   
retirement scheme as shall be prescribed by the   
Minister:

Provided that such voluntary retirement scheme   
shall be published on a date not more than one   
month after the appointed date and every officer or   
employee deemed to be an officer or employee of   
the Economic Commission or Zones SL under   
paragraph (*m*) shall communicate his option within   
one month of the date of publication of the   
voluntary retirement scheme.

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(3) Without prejudice to the powers vested in the Economic Commission or Zones SL under this Act, the Economic Commission or Zones SL, as the case may be, shall continue to exercise all powers exercised by the BOI in respect of and over Areas of Authority, licensed zones, licensed enterprises and area enterprises, established in terms or under the authority of the repealed Law. Without limiting the general powers that shall be exercised by the Economic Commission or Zones SL, as the case may be, in that respect, the powers set out in the repealed Law under sections 5, 16, 17, 18, 20, 20A, 21, 22, 22A, and 24 shall continue with full force and effect:

Provide however, the provisions of this subsection shall not be in derogation of the powers or functions exercised or discharged by the Economic Commission or Zones SL, as the case may be, in relation to the management or operation of Areas of Authority, licensed zones, licensed enterprises and area enterprises, as the case may be.

(4) The Economic Commission shall have the power to make by-laws for the purpose of amending, rescinding or altering all by-laws deemed to be made by the BOI and all by-laws made by the BOI under sections 21 and 22 of the repealed Law and in force on the day immediately preceding the appointed date.

**194.** In this Act unless the context otherwise requires-Interpretation

“Area of Authority” means the Area of authority   
 referred to in section 5 of the repealed Law;

“area enterprise” means an enterprise with which   
the BOI has entered into an agreement under   
section 17 of the repealed Law and which carries   
on business or is proposing to carry on business   
within the Area of Authority;

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“BOI” means the Board of Investment of Sri Lanka   
 established by the repealed Law;

“enterprise” means any sole proprietorship,   
partnership, company or cooperative society   
wherever registered or incorporated under any   
law for the time being in force relating to   
companies, corporative societies or business   
and engage in or proposing to engage in any   
business which in the opinion of the BOI would   
achieve or assist in the achievement of the   
objects of the BOI;

“licensed zones” means the licensed zones referred   
 to in section 5 of the repealed Law;

“licensed enterprises” means the licensed enterprises   
 referred to in section 5 of the repealed Law;

“Minister” for the purpose of Parts II and III and this   
Part means the Minister assigned the subject   
and function relating to the Economic   
Commission and Zones SL under Article 44 or   
45 of the Constitution;

“zone developer” means a person who is assigned   
 the development of an investment zone; and

“zone operator” means a person who manages a   
 developed investment zone.

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| Sinhala text to  prevail in case  of inconsistency | **195.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. |

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