

**PARLIAMENT OF THE DEMOCRATIC**

**SOCIALIST REPUBLIC OF**

**SRI LANKA**

*————————*

**CORONAVIRUS DISEASE 2019 (COVID - 19) (TEMPORARY PROVISIONS)**

**A**

**BILL**

**to make temporary provisions in relation to situations where persons were unable to perform certain actions required by law to be performed within the prescribed time periods due to Covid - 19 circumstances; to assign alternative courts where a court cannot function due to Covid - 19 circumstances; to conduct court proceedings using remote communication technology to facilitate the control of coronavirus disease 2019 (Covid - 19); to grant relief in relation to parties to certain contracts who were unable to perform contractual obligations due to Covid - 19 circumstances and for matters connected therewith or incidental thereto**

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*Presented by the Minister of Justice on 08th of June, 2021*

(Published in the Gazette on May 20, 2021)

*Ordered by Parliament to be printed*

*————————*

**[Bill No. 51]**

PRINTEDATTHEDEPARTMENTOFGOVERNMENTPRINTING, SRILANKA   
TOBEPURCHASEDATTHEGOVERNMENTPUBLICATIONSBUREAU, COLOMBO5

**Price : Rs. 28.00**  **Postage : Rs. 15.00**

*This Bill can be downloaded from* www.documents.gov.lk 

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| *Coronavirus Disease 2019 (Covid - 19)* | 1 |

*(Temporary Provisions)*

L.D.-O 19/2020

AN ACTTOMAKETEMPORARYPROVISIONSINRELATIONTOSITUATIONS

WHEREPERSONSWEREUNABLETOPERFORMCERTAINACTIONS

REQUIREDBYLAWTOBEPERFORMEDWITHINTHEPRESCRIBEDTIME   
PERIODSDUETOCOVID - 19CIRCUMSTANCES; TOASSIGNALTERNATIVE   
COURTSWHEREACOURTCANNOTFUNCTIONDUETOCOVID - 19   
CIRCUMSTANCES; TOCONDUCTCOURTPROCEEDINGSUSINGREMOTE

COMMUNICATIONTECHNOLOGYTOFACILITATETHECONTROLOF   
CORONAVIRUSDISEASE2019 (COVID - 19); TOGRANTRELIEFIN

RELATIONTOPARTIESTOCERTAINCONTRACTSWHOWEREUNABLETO   
PERFORMCONTRACTUALOBLIGATIONSDUETOCOVID - 19

CIRCUMSTANCESANDFORMATTERSCONNECTEDTHEREWITHOR   
INCIDENTALTHERETO.

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

|  |  |  |
| --- | --- | --- |
| 5 | **1.** (1)This Act may be cited as the Coronavirus Disease | Short title, |
| 2019 (COVID -19) (Temporary Provisions) Act, No. 2021. | duration and |
| The provisions of this Act shall be in operation for a period | extension of |
| operation of |
| of two years commencing fromMarch 1, 2020. |
| the Act |
| (2) The Minister may, at any time within one month prior |
| 10 |
| to the expiration of the period of operation of this Act, by |
| Order published in the *Gazette*, extend for a further period |
| the operation of the Act: |

Provided however, the aggregate period of any extension shall not exceed two years from the date of suchextension.

PART I

RELIEFFOR INABILITYTO COMPLYWITH PRESCRIBED TIME PERIODS

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | **2.** (1)Where any court, tribunal or any other authority | | Relief in |
| established by or under any law is satisfied that, a person | | respect of |
| was prevented from- | | inability to |
| comply with |
| 20 | (*a*) | instituting or filing any action, application, appeal | prescribed |
| time periods |
| or other legal proceeding, as the case may be, within | |
| the period prescribed by law for such purpose; or | |

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(*b*) performing any act which is required by law to be   
 done or performed within a prescribed time period,

due to any Covid - 19 circumstance, it shall be competent for such court, tribunal or any other authority established by 5 or under any law to allow, admit or entertain an action, application, appeal, other proceeding or act, referred to in paragraph (*a*) or (*b*), notwithstanding the lapse of the time period prescribed by law for such purpose and subject to the provisions of section 9, the period within which such person 10 was subject to such Covid - 19 circumstance shall be excluded in calculating the said prescribed time period.

(2)Any relief granted under subsection (1) shall not apply in relation to any application or appeal-

|  |  |  |
| --- | --- | --- |
| 15 | (*a*) | to which the following rules apply- |
| (i) the Supreme Court (Temporary Provisions) |

Rules, 2020 published in the *Gazette*   
extraordinary No. 2174/4 of May 6, 2020;

(ii) the Supreme Court (Temporary Provisions)   
Rules, 2021 published in the *Gazette*

20 extraordinary No. 2211/56 of January 21, 2021;

(iii) the Court of Appeal (Procedure for Appeals from High Courts established by Article 154P of the Constitution) (Temporary Provisions) Rules, 2020 published in the *Gazette* 25 extraordinary No. 2175/2 of May 12, 2020; or

(iv) the Court of Appeal (Procedure for Appeals   
from High Courts established by Article 154P   
of the Constitution) (Temporary Provisions)   
Rules, 2021 published in the *Gazette*

30 extraordinary No. 2211/56 of January 21, 2021;

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|  |  |  |
| --- | --- | --- |
| 5 | (*b*) | to which any Supreme Court Rule or Court of |
| Appeal Rule as may be made under Article 136 of |
| the Constitution within the period of operation of |
| this Act, granting any exclusion of time period as a |
| relief in respect of any Covid- 19 circumstance, |
| apply. |

PART II   
DESIGNATIONOF ATLERNATIVE COURTS

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| --- | --- | --- | --- |
| 10 | **3.** (1) Subject to the provisions of sections 46 and 47 of | | Designation |
| the Judicature Act, No. 2 of 1978,where the ordinary | | of alternative |
| courts in |
| functioning of any court of first instance is disrupted due to | |
| place of |
| any Covid - 19 circumstance, the Judicial Service | |
| courts |
| Commission may designate the nearest court of concurrent | |
| affected by |
| jurisdiction as the alternative court in place of such court, | |
| Covid - 19 |
| 15 | for the period during which such Covid - 19 circumstance | | circumstances |
| exists. Any action, prosecution, proceeding or matter filed | |
| in or considered by such court of first instance or any new | |
| action, prosecution, proceeding or matter filed, shall be | |
| 20 |
| considered or heard by the court so designated: | |
| Provided however, no transfer of an action, prosecution, | |
| 25 | proceeding or matter referred to in this subsection shall be | |
| made where- | |
| (*a*) | any such court of first instance has reserved such |
| action, prosecution, proceeding or matter for | |
| judgment, order or other pronouncement; or | |
| (*b*) | all hearings in such action, prosecution, proceeding |
| or matter have concluded before such court of first | |
| 30 | instance. | |
| (2) An action, prosecution, proceeding or matter filed in | |
| or considered by an alternative court referred to in subsection | |
| (1) may, by the presiding Judge of the alternative court, | |
| subsequently be transferred to the court of first instance | |
| 35 | which previously exercised jurisdiction in relation to such | |
| action upon the resumption of ordinary functions of such | |
| original court: | |

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Provided however, no transfer of an action, prosecution, proceeding or matter referred to in this subsection shall be made where-

|  |  |  |
| --- | --- | --- |
| 5 | (*a*) | the alternative court has reserved such action, |
| prosecution, proceeding or matter for judgment, |

order or other pronouncement; or

(*b*) all hearings in such action, prosecution, proceeding   
 or matter have concluded before such alternative   
 court.

10 PART III

CONDUCTING COURT PROCEEDINGS USING REMOTE COMMUNICATION TECHNOLOGY

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | **4.** Notwithstanding anything contained in any other | | Conducting |
| court |
| written law, where, in any action, application, appeal or other | |
| proceedings |
| proceeding before a court of first instance, – | | using remote |
| communication |
| (*a*) | any person is unable to appear in court; or | technology |
| (*b*) | the proceedings of the court cannot be conducted |

under the ordinary procedure,

due to any Covid - 19 circumstance, such action, application, 20 appeal or proceeding before such court may be conducted by means of a live video or live television link created using a remote communication technology, subject to such conditions as may be prescribed by regulations made by the Minister, in concurrence with the Chief Justice.

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PART IV

TEMPORARY RELIEFIN RESPECTOFCONTRACTS

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | **5.** For the purpose of this Part, a “Scheduled contract” | | Scheduled |
| means any contract specified in the First Schedule to this | | contracts |
| Act or any other contract as may be prescribed, from time to | |
| 10 | time. | | Relief in |
| **6.** (1) Notwithstanding anything contained in any other | |
| written law, contract or agreement, where any party to a | | respect of |
| Scheduled contract is- | | inability to |
| perform |
| (*a*) | subject to any Covid - 19 circumstance; and | contractual |
| obligations |
| 15 | (*b*) | unable to perform any obligation or exercise any | or exercise |
| contractual |
| right under such contract due to such Covid - 19 | | rights |
| circumstance, | |
| such party may make an application for relief under this Part | |
| of this Act, to the court, tribunal or any other authority | |
| 20 | established by or under any law which would otherwise have | |
| jurisdiction, authority or power to adjudicate in respect of | |
| such contract under any applicable law. | |
| (2) Upon the receipt of an application under subsection | |
| (1), such court, tribunal or any other authority established | |
| 25 | by or under any law may, subject to the provisions of section | |
| 9, exclude the period within which such party was subject to | |
| the Covid - 19 circumstance which prevented him from | |
| performing the obligation or exercising the right, from the | |
| period within which such obligation or right would otherwise | |
| 30 | be required to be performed or exercised under the Scheduled | |
| contract. | |
| Provided that, where the party making the application | |
| has already been granted an exclusion of time as a relief | |
| voluntarily by the other party or parties to the contract or | |
| according to the terms of the contract,the court, tribunal or | |
| any other authority established by or under any law may, | |
| upon satisfaction that it is just and equitable, grant a further | |
| relief under this section. | |

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(3) An application for relief under this Part of this Act shall be accompanied by the relevant material supporting the application including any material which discloses any moratorium or extension of time already granted as referred

|  |  |  |
| --- | --- | --- |
| 5 | to in subsection (2) of section 9. | Application |
| **7.** (1) An application made under section 6 by any party |
| 10 | to a Scheduled contract who is subject to any Covid - 19 | under section |
| 6 not to |
| circumstance and unable to perform any obligation or |
| prevent the |
| exercise any right under such contract due to such Covid - 19 |
| right to |
| circumstance, shall not prevent any other party to such | institute |
| contract from instituting any action specified in subsection | actions |

(2), in relation to such inability.

Provided however, the fact that such inability was due to a Covid - 19 circumstance shall be a defence available to the

|  |  |
| --- | --- |
| 15 | party who was unable to perform such obligation or exercise such right in such action. |

(2) The actions referred to in subsection (1) include-

(*a*) an action in a court against the party who is unable to perform the contractual obligation or 20 a guarantor or surety of such party;

(*b*) proceedings under the Arbitration Act, No. 11   
of 1995 against the party who is unable to   
perform the contractual obligation or a guarantor   
or surety of such party;

|  |  |
| --- | --- |
| 25 | (*c*) an action to enforce any security over any immovable property; |

(*d*) an action to enforce any security over any   
movable property used for the purpose of a trade,   
business or profession;

|  |  |
| --- | --- |
| 30 | (*e*) an application under the Companies Act, No. 7 of 2007 for a meeting of creditors to be |

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summoned to approve a compromise or an   
arrangement in relation to the party who is   
unable to perform the contractual obligation or   
the guarantor or surety of such party;

|  |  |
| --- | --- |
| 5 | (*f*) an application for a judicial management order in relation to the party who is unable to perform |

the contractual obligation or the guarantor or   
surety of such party;

|  |  |
| --- | --- |
| 10 | (*g*) an application for the winding up of the party who is unable to perform the contractual |

obligation or the guarantor or surety of such party;

(*h*) a bankruptcy application in relation to the party   
who is unable to perform the contractual   
obligation or the guarantor or surety of such party;

|  |  |
| --- | --- |
| 15 | (*i*) an action to appoint a receiver or manager over any undertaking in relation to the party who is |

unable to perform the contractual obligation or   
the guarantor or surety of such party;

(*j*) an action to commence or levy execution, 20 distress or other legal process against any property in relation to the party who is unable to perform the contractual obligation or the guarantor or surety of such party, except with the leave of the court;

|  |  |
| --- | --- |
| 25 | (*k*) an action to repossess any goods under any chattels lease agreement, hire-purchase |

agreement or retention of title agreement, being   
goods used for the purpose of a trade, business   
or profession;

30 (*l*) an action to terminate a Scheduled contract,

being a lease or licence of immovable property,

where the obligation unable to be performed is

the non-payment of rent or other moneys;

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(*m*) an action to exercise a right of re-entry or

|  |  |
| --- | --- |
| 5  10 | forfeiture under a Scheduled contract, being a lease or licence of immovable property, or the exercise of any other right that has a similar outcome;  (*n*) an action to enforce a judgment of a court or an award made by arbitral proceedings conducted under the Arbitration Act, No. 11 of 1995 against the party who is unable to perform the contractual obligation or a guarantor or surety of such party; |

(*o*) the forfeiture of any part of any consideration   
paid to the party who is unable to exercise the   
right; or

|  |  |  |
| --- | --- | --- |
| 15 | (*p*) any other action as may be prescribed. | Avoidance of |
| **8.** For avoidance of doubt, it is hereby declared that the |
| 20 | provisions of this Part of this Act shall not be construed as | doubt |
| absolving, in any way, a party to a Scheduled contract from |
| performing any obligation or exercising any right which |
| would otherwise be required to be performed or exercised |
| by such party under such contract. |

PART V

GENERAL

|  |  |  |
| --- | --- | --- |
| 25 | **9.** (1) Any period excluded as a relief under section 2 or | Limitations |
| subsection (2) of section 6 of this Act shall not exceed a | on relief |
| period of twelve months: | under this |
| Act |
| Provided that, a period exceeding twelve months may be |
| 30 |
| excluded as a relief where the court, tribunal or any other |
| authority established by or under any law is satisfied that it |
| is just and equitable to do so and the period so excluded |
| shall not exceed a period of further six months: |

Provided further, that the period excluded as a relief shall not exceed eighteen months in the aggregate.

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(2) Any relief granted under Part IV of this Act shall not apply where any moratorium has been granted by the Central Bank or any other regulatory authority as a relief in relation to circumstances arising out of Coronavirus Disease 2019

|  |  |  |
| --- | --- | --- |
| 5 | (COVID - 19), on or after March 1, 2020. | Burden of |
| **10.** The burden of proof of that - |
| proof |

(*a*) the inability to comply with the prescribed   
 time periods for the purpose of section 2; or

(*b*) the inability to perform any contractual

|  |  |
| --- | --- |
| 10 | obligation or exercise any contractual right for the purpose of section 6 or 7, |

is due to any Covid - 19 circumstance, shall be on the party making the application for relief or claiming the defence, as the case may be, under such sections.

|  |  |  |
| --- | --- | --- |
| 15 | **11.** (1) The Minister may make regulations in respect of | Regulations |

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

|  |  |
| --- | --- |
| 20 | 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 25 *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 30 deemed to be so rescinded shall be published in the *Gazette*.

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**12.** In this Act, unless the context otherwise requires – Interpretation

“Central Bank” means the Central Bank of Sri Lanka   
established under the Monetary Law Act   
(Chapter 420);

5 “Covid - 19” means the Coronavirus Disease 2019 (COVID - 19) declared as a quarantinable disease by Notification published in the *Gazette* extraordinary No. 2167/18 of March 20, 2020 under the Quarantine and

|  |  |
| --- | --- |
| 10 | Prevention of Diseases Ordinance (Chapter 222); |

“Covid - 19 circumstance” includes-

|  |  |  |
| --- | --- | --- |
| 15 | (*a*) | Covid - 19; |
| (*b*) | the operation of or compliance with any |
| law of Sri Lanka or another country or |

territory, or an order or direction of the Government or any statutory body, or of the Government or other public authority of another country or territory, being any 20 law, order or direction that is made by reason of or in connection with Coronavirus Disease 2019 (COVID - 19); or

|  |  |  |
| --- | --- | --- |
| 25 | (*c*) | any other circumstance arising out of or |
| consequential to the circumstances |

referred to in paragraph (a) or (b).

“Minister” means the Minister assigned this Act   
under Article 44 or 45 of the Constitution;

“prescribe” means prescribe by regulations made

30 under this Act;

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“regulatory authority” means an authority   
established by or under any written law   
to be a regulatory or approving authority   
in relation to a Scheduled contract.

|  |  |  |
| --- | --- | --- |
| 5 | **13.** In the event of any inconsistency between the Sinhala | Sinhala text |
| to prevail in |
| and Tamil texts of this Act, the Sinhala text shall prevail. |
| case of |

inconsistency

FIRST SCHEDULE (section 5)

Scheduled contracts

1. Scheduled contracts include-

(*a*) a contract for the grant of a loan facility by a bank licensed   
 under the Banking Act, No. 30 of 1988 or a finance company   
 licensed under the Finance Business Act, No. 42 of 2011 to   
 an enterprise, where such facility is secured, wholly or   
 partially, against any commercial or industrial immovable   
 property located in Sri Lanka;

(*b*) a contract for the grant of a loan facility by a bank licensed   
 under the Banking Act, No. 30 of 1988 or a finance company   
 licensed under the Finance Business Act, No. 42 of 2011 to   
 an enterprise-

(i) where such facility is secured, wholly or partially,   
against any plant, machinery or fixed asset located   
in Sri Lanka; and

(ii) where such plant, machinery or fixed asset, as the   
case may be, is used for manufacturing, production   
or other business purposes;

(*c*) a performance bond or equivalent that is granted pursuant   
 to a construction contract or supply contract;

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 (*d*) a hire-purchase agreement within the meaning of the

Consumer Credit Act, No. 29 of 1982, where the good

hired or conditionally sold under the agreement is —

(i) any plant, machinery or fixed asset located in Sri

Lanka, where such plant, machinery or fixed asset is

used for manufacturing, production or other business

purposes; or

(ii) a commercial vehicle;

(*e*) a lease of -

(i) any plant, machinery or fixed asset located in Sri

Lanka, where such plant, machinery or fixed asset is

used for manufacturing, production or other business

purposes; or

(ii) a commercial vehicle;

(*f*) a finance lease within the meaning of the Finance Leasing

Act, No. 56 of 2000, where the equipment provided under

the finance lease is-

(i) any plant, machinery or fixed asset located in Sri

Lanka, where such plant, machinery or fixed asset is

used for manufacturing, production or other business

purposes; or

(ii) a commercial vehicle;

(*g*) an event contract;

(*h*) a tourism-related contract;

(i) a construction contract or supply contract;

(*j*) a lease of non-residential immovable property;

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(*k*) an option given by a housing developer to an intending   
 purchaser for the purchase of one or more units of housing   
 accommodation;

(*l*) an agreement between a housing developer and a purchaser   
 for the sale and purchase of one or more units of housing   
 accommodation;

(*m*) an option given by a commercial property developer to an   
 intending purchaser for the purchase of one or more units   
 of commercial property;

(*n*) an agreement between a commercial property developer   
 and a purchaser for the sale and purchase of one or more   
 units of commercial property.

2. For the purpose of this Schedule-

“commercial property developer” means any person that   
engages in the business of commercial property   
development;

“commercial property development” means the construction   
or causing the construction of any number of units of   
commercial property, including any building operations   
in, on, over or under the land for the purpose of erecting   
such commercial property, and the sale of land which   
would be appurtenant to such commercial property;

“commercial property” means any building or other premises   
which is permitted by or under any written law for use for   
a commercial or an industrial purpose, or for mixed   
purposes the predominant purpose of which is a   
commercial or an industrial purpose;

“commercial vehicle” means any motor vehicle used for a   
 commercial or an industrial purpose;

“construction contract” means an agreement with a person or   
 entity for any of the following-

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(*a*) the carrying out of construction work;

(*b*) arranging for the carrying out of construction   
 work by others, whether under sub-contract or   
 otherwise to such person or entity, as the case   
 may be;

(*c*) providing his own labour or labour owned by   
 the entity or the labour of others, for carrying   
 out of construction work;

“event contract” means a contract to provide a venue,   
accommodation, amenities, transport, entertainment,   
catering or other goods or services for-

(*a*) a business meeting, incentive travel, conference,   
 exhibition, sales event, concert, show, wedding,   
 party or other social gathering, or sporting event;   
 or

(*b*) the participants, attendees, guests, patrons or   
 spectators of any of the events specified in   
 paragraph (*a*);

“housing accommodation” includes a building or tenement   
wholly or principally constructed, adapted or intended for   
human habitation, or for human habitation and as business   
premises;

“housing developer” means any person that engages in a business   
 of housing development;

”housing development” means the construction or causing the   
construction of any number of units of housing   
accommodation, including any building operations in,   
on, over or under the land for the purpose of erecting such   
housing accommodation, and the sale of land which would   
be appurtenant to such housing accommodation;

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“supply contract” means an agreement under which one party   
undertakes to supply goods required for the purpose of   
construction work, to any other party who is engaged in   
the business of carrying out construction work or who   
causes to be carried out construction work;

“tourism related contract” means-

(*a*) a contract for the international carriage of   
 passengers by sea or land;

(*b*) a contract for the provision of transport, short-  
 term accommodation, entertainment, dining,   
 catering, tours or other tourism-related goods or   
 services for visitors to Sri Lanka, domestic tourists   
 or outbound tourists; or

(*c*) a contract for the promotion of tourism in Sri   
 Lanka or the distribution for the purposes of   
 trade or retail of products related to such tourism;

“unit” means a horizontal stratum of any building or part of a   
building, whether such stratum is on one or more levels,   
and which is intended for use in accordance with the   
provisions of any written law as a complete and separate   
unit for residential, commercial or industrial purpose.

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