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

**Part II of August 02, 2024**

**SUPPLEMENT**

(*Issued on 06.08.2024*)



**COMPANIES (AMENDMENT)**

**A**

**BILL**

**to amend the Companies Act, No. 07 of 2007**

*Ordered to be published by the Minister of Industries*

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*STATEMENT OF LEGAL EFFECT*

*Clause 2* : This clause amends section 4 of the Companies Act, No. 07 of 2007 (hereinafter referred to as the “principal enactment”) and the legal effect of the section as amended is to incorporate a company with the single shareholder.

*Clause 3* : This clause amends section 11 of the principal enactment and the legal effect of the section as amended is to extend the time limits to notify the public in the case of change of its name.

*Clause 4* : This clause amends section 19 of the principal enactment and the legal effect of the section as amended is to rectify a numbering error in subsection (2).

*Clause 5* : This clause amends section 51 of the principal enactment and the legal effect of the section as amended is to prohibit the issuance of a share warrant to the bearer or bearer share.

*Clause 6* : This clause amends section 52 of the principal enactment and the legal effect of the section as amended is to amend the provisions relating to the time limits relating to allotment of shares.

*Clause 7 :* This clause inserts a new Division in the principal enactment which contains provisions relating to ‘beneficial ownership’ of shares of a company including provisions -

(*a*) for disclosing of information on beneficial ownership of shares from a shareholder and the Secretary or a director of a company and sharing such information with specified persons;

(*b*) for keeping and maintaining registers, by a company and the Registrar, containing information on beneficial ownership of shares of a company;

(*c*) for offences committed in relation to beneficial ownership of shares; and

(*d*) for new interpretations on the’ beneficial owner’ and ‘effective control’.

*Clause 8* : This clause amends section 206 of the principal enactment and the legal effect of the section as amended is to re-set the procedure for removal of directors of a company.

*Clause 9* : This clause amends section 211 of the e principal enactment and the legal effect of the section as amended is to revise the period of validity of a resolution passed in respect of an appointment of a director over age of seventy years.

*Clause 10* : This clause amends section 341 of the principal enactment and the legal effect of the section as amended is to cast a liability upon a liquidator who fails to submit to the Registrar a copy of the accounts and a confirmation of a meeting held in relation to a dissolution of a company.

*Clause 11* : This clause amends section 424 of the principal enactment and the legal effect of the section as amended is to extend the period of time provided for an administrator to submit to a creditors’ committee information required by such committee.

*Clause 12* : This clause amends section 471 of the principal enactment and the legal effect of the section as amended is to create new cadre in the Department of Registrar General of Companies.

*Clause 13* : This clause amends section 472 of the principal enactment to rectify an error in the Sinhala version of the principal enactment.

*Clause 14* : This clause inserts a new section 484A in the principal enactment and the legal effect of the new section is to empower the Registrar to grant extension of time period to a company for furnishing of certain documents and information.

*Clause 15* : This clause amends section 487 of the principal enactment and the legal effect of the section as amended is to provide an opportunity to a company, name of which has been struck off, to re-register such company and to retrieve its property vested in the State.

*Clause 16* : This clause amends section 508 of the principal enactment and the legal effect of the section as amended is to enable a party to make request to refer the dispute for mediation.

*Clause 17* : This clause inserts a new section 513A in the principal enactment and the legal effect of the new section is to provide for general penalties.

*Clause 18* : This clause amends the definition of the expression ‘distribution’ in section 529 of the principal enactment.

*Clause 19* : This clause provides for special provisions relating to information on beneficial ownership of a company held on the appointed date.

*Clause 20* : This clause cast a duty upon existing holders of any share warrant to bearer or bearer shares to disclose information relating to such bearer or bearer shares.

*Clause 21* : This clause provides for a schedule to rectify the errors in Sinhala, Tamil and English versions of the principal enactment.

|  |  |
| --- | --- |
| *Companies (Amendment)* | 1 |

L.D.O- 61/2024

AN ACTTOAMEND THE COMPANIES ACT, NO. 07 OF 2007

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

|  |  |  |
| --- | --- | --- |
| 5 | **1.** (1) This Act may be cited as the Companies | Short title |
| (Amendment) Act, No. of 2024. | and date of |
| operation |
| (2) The provisions of this Act other than the provisions of |

this section shall come into operation on such date as the Minister may appoint by Order published in the *Gazette* (hereinafter referred to as the “appointed date”).

(3) The provisions of this section shall come into 10 operation on the date on which the Bill becomes an Act of Parliament.

|  |  |  |
| --- | --- | --- |
| 15 | **2.** Section 4 of the Companies Act, No. 07 of 2007 | Amendment |
| of section 4 |
| (hereinafter referred to as the “principal enactment”) is hereby |
| of Act, No. |
| amended by the repeal of subsection (2) thereof and the | 07 of 2007 |
| substitution therefor, of the following: - |

“(2) A company, other than a company limited by   
guarantee, may have a single shareholder, who may -

|  |  |  |
| --- | --- | --- |
| 20 | (*a*) | be a natural person; |
| (*b*) | be a body corporate; or |
| (*c*) | be the Secretary to the Treasury holding |

shares on behalf of the Government of   
Sri Lanka.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | 2 | *Companies (Amendment)* | Amendment |
| **3.** Section 11 of the principal enactment is hereby | |
| amended in subsection (5) thereof by the substitution for | | of section 11 |
| of the |
| the words “ten working days”, of the words “twenty working | |
| principal |
| days”. | | enactment |
| **4.** Section 19 of the principal enactment is hereby | | Amendment |
| amended in subsection (2) thereof, by re-numbering | | of section 19 |
| of the |
| paragraph (*c*) as paragraph (*b*). | |
| principal |

enactment

|  |  |
| --- | --- |
| **5.** Section 51 of the principal enactment is hereby amended as follows: - | Amendment of section 51 of the |

principal

|  |  |  |  |
| --- | --- | --- | --- |
| 10 | (1) | by the insertion immediately after subsection (1) | enactment |

thereof, of the following new subsection: -

“(1A) A company shall not issue a share warrant   
issued to bearer or bearer share irrespective of whether   
its articles of association purport to authorise it to do so.

15 For the purpose of this subsection,-

“share warrant to bearer” means a negotiable instrument whose ownership is determined by possession of the issued physical warrant certificate, and any other similar 20 warrant or instrument without traceability, but does not include –

(*a*) any instrument that only confers rights to subscribe for shares in a company under specified 25 conditions, but not ownership or entitlement to ownership in shares, unless and until the instrument is exercised or redeemed; and

*Companies (Amendment)* 3

(*b*) a dematerialised or registered form   
of warrant or any other instrument   
whose owners can be identified; and

“bearer share” means a negotiable instrument 5 which may contain the rights specified in section 49 but whose ownership is determined by the simple possession of a physically issued share certificate, and any other similar instrument such as security 10   
 to the bearer named in section 110(1)(*b*)(iii), without traceability, but does not include a dematerialised or registered form of share certificate whose owners can be identified.”.

|  |  |  |
| --- | --- | --- |
| 15 | (2) | in sub-paragraph (i) of paragraph (*a*) of subsection |

(4) thereof by the substitution for the words “shares   
issued;”, of the words “shares issued and names of   
the persons to whom such shares are issued;”.

|  |  |  |
| --- | --- | --- |
| 20 | **6.** Section 52 of the principal enactment is hereby | Amendment |
| of section 52 |
| amended by the repeal of subsection (3) thereof, and the |
| of the |
| substitution therefor, of the following: - |
| principal |

enactment

“(3) Upon receipt of the consideration, the company   
shall make an allotment of the shares within twenty   
working days of the receipt of such consideration:

25 Provided however, that the period of time specified in this subsection shall not apply in respect of the issuance of shares which are fully paid up from the reserves of the company to all shareholders of the same class in proportion to the number of shares held

30 by each shareholder.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | 4 | *Companies (Amendment)* | Insertion of |
| **7.** The following new division is hereby inserted | |
| immediately after section 130 (SHARE REGISTER) of the | | new division |
| in the |
| principal enactment and shall have effect as a new division | |
| principal |
| of that enactment: - | | enactment |
| “BENEFICIAL OWNERSHIP | |
| 10 | Details of the beneficial  ownership of a company | **130A.** (1) Subject to the provisions of subsection (10), every company incorporated or registered under this Act or any former written |
| to be given to the  Registrar. | law relating to companies (under this heading referred to as the “company”) shall, at the time of incorporation or within twenty working days |

of the issue of any shares or transfer of shares,   
give notice to the Registrar in the prescribed   
form of-

|  |  |  |
| --- | --- | --- |
| 15 | (*a*) | the full names and previous full |

names (if any) as appearing in the

|  |  |  |
| --- | --- | --- |
| identification | document | of |

beneficial owners of the company;

|  |  |  |
| --- | --- | --- |
| 20 | (*b*) | the dates and places of birth, |
| nationalities, countries of residence, |

and the last known addresses of   
beneficial owners of the company;

(*c*) the residential addresses, business addresses, email addresses, and 25 postal addresses of beneficial owners of the company;

(*d*) the National Identity Card numbers, Tax Identification Numbers, or Passport numbers and the countries 30 of issuance, of beneficial owners of the company;

*Companies (Amendment)* 5

(*e*) the contact details of beneficial   
 owners of the company; and

|  |  |  |
| --- | --- | --- |
| 5 | (*f*) | a full statement describing the nature |
| and the extent of the beneficial |
| ownership. |

(2) Every shareholder shall, within ten working days of the purchase of any shares or transfer of shares give the details specified in subsection (1) relating to beneficial ownership 10 of the company to the company.

(3) Every director or secretary of the company shall disclose the details referred to in subsection (1) relating to beneficial owners of the company to the Registrar when he 15 becomes aware of such details.

(4) (*a*) The company shall maintain a register and record the details specified in subsection (1) when it becomes aware and the company shall keep such register of beneficial owners of 20 the company subject to the provisions of paragraph (*b*) of subsection (3) of section 116 at its registered office.

(*b*) The provisions of section 124 relating to the place of the share register of a company 25 shall *mutatis mutandis* apply to the register of beneficial owners of the company**.**

(5) (*a*) A company shall keep and maintain   
records of the details of the beneficial owners   
of the company and the nature and extent of

30 the beneficial ownership of the company for a period of at least ten years after the date on which the record was made.

6 *Companies (Amendment)*

(*b*) The administrator or liquidator of a company under dissolution and any other person involved in the dissolution of a company shall keep and maintain records of 5 the details of the beneficial owners of the company and the nature and extent of the beneficial ownership of the company for a period of at least five years after the date on which the company is dissolved or otherwise 10 ceases to exist.

(6) The Registrar shall maintain a register   
to record the details specified in   
subsection (1).

(7) The company shall, within fourteen 15 working days upon the receipt of details that a person holds, acquires, or effects a subsequent change of beneficial ownership of a company, notify the Registrar of such details specified in subsection (1).

20 (8) Every company shall, subject to the provisions of subsection (7) deliver the details of beneficial owners of the company in a form as may be prescribed together with the annual return under section 131.

25 (9) The provisions of section 181 relating to the power to require information as to persons interested in shares or debentures shall *mutatis mutandis* apply to beneficial owners of the company.

30 (10) The provisions of sections 130A to 130I shall not apply to an offshore company

*Companies (Amendment)* 7

incorporated outside Sri Lanka and registered   
under this Act or, an overseas company   
registered under this Act where such company   
is required to comply with the beneficial

5 ownership registration in the country where it has been incorporated.

(11) In this section, the expression “former written law relating to companies” means any written law repealed by the Companies 10 Ordinance (Chapter 145) or the Companies Act, No. 17 of 1982 or this Act.

|  |  |
| --- | --- |
| Details to be  furnished. | **130B.** A company or the Registrar shall, upon request made by the Attorney-General, |

Financial Intelligence Unit established under 15 the Financial Transactions Reporting Act, No.

6 of 2006, Director-General of Customs, Commissioner-General of Inland Revenue, any public authority having the responsibility for prosecuting money investigating or   
20   
 laundering, terrorist financing or any other criminal offences, public procurement authorities, or regulatory authorities make available the details of the beneficial owners of the company held or submitted under section

|  |  |  |
| --- | --- | --- |
| 25 | Appointment | 130A. |
| **130C.** (1) A company shall appoint a natural |
| of a person |
| person residing in Sri Lanka as the authorized |
| for safe |
| person who is – |
| keeping and |

making

|  |  |  |  |
| --- | --- | --- | --- |
| 30 | available | (*a*) | responsible for the safe keeping of |
| details. |
| the register of the beneficial owners |

of the company; and

8 *Companies (Amendment)*

(*b*) authorised by the company to make   
the details of the beneficial owners   
of the company recorded in terms of   
section 130A available to the

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | Financial | Intelligence | Unit |

established under the Financial   
Transactions Reporting Act, No. 6   
of 2006 or any competent authority.

(2) The company shall disclose the details 10 of the authorised person at the time of incorporation and any subsequent changes to such authorised person in a form as may be prescribed.

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| --- | --- | --- |
| 15 | Details for | **130D.** The details of the beneficial owners |
| public. |
| of a company shall, upon a request for |

inspection by a member of the public, be made available by the Registrar whether electronically or physically, but the details of the beneficial owners of the company shall be 20 limited to their full names and the nature and extent of beneficial ownership of the company.

|  |  |
| --- | --- |
| Failing to  keep and  maintain a | **130E.** If the Registrar has reasonable grounds to believe that a company- |

register of

|  |  |  |  |
| --- | --- | --- | --- |
| 25 | beneficial | (*a*) | has failed or fails to keep and |
| owners of the | maintain a register of beneficial |
| company. |
| owners of the company referred to |

in section 130A; or

(*b*) has failed or fails to comply with any time period referred to in section 30 130A,

*Companies (Amendment)* 9

the Registrar shall, in writing issue a directive   
to the company instructing the company to   
comply with the provisions of section 130A   
within a period of seven working days from

|  |  |  |
| --- | --- | --- |
| 5 | A claim for | the date of receiving the directive. |
| **130F.** Notwithstanding anything to the |
| beneficial |
| contrary in any other written law, a claim to |
| ownership. |
| beneficial ownership of a company may not be |

claimed or be recognized for any lawful 10 purpose, unless such beneficial ownership is disclosed and registered in the manner set out under this division.

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| --- | --- | --- | --- |
| 15 | Offences. | **130G.** (1) A company which – | |
| (*a*) | contravenes or fails to comply with |
| subsection (1), (3), (4), (7) or (8) of | |

section 130A;

(*b*) knowingly provides false or misleading details about a beneficial owner of the company or the nature 20 and extent of the beneficial ownership of the company;

(*c*) knowingly withholds details of a beneficial owner of the company that should be entered into the 25 register referred to in subsection (1) of section 130A; or

(*d*) knowingly makes a false entry into   
 the register referred to in subsection   
 (1) of section 130A,

10 *Companies (Amendment)*

shall be guilty of an offence and be liable on conviction to a fine not exceeding one million rupees or to imprisonment of either description for a period not exceeding ten years or to both 5 such fine and imprisonment.

(2) Where an offence under this section is committed, then every person who at the time of the commission of the offence was a director or an officer of such company shall be deemed 10 to have committed that offence unless such person proves that the offence was committed without such person’s knowledge, or that such person exercised all due diligence to prevent the commission of such offence.

15 (3) A shareholder, secretary, or authorised person who contravenes or fails to comply with the provisions under subsection (2) of section 130A or subsection (3) of section 130A or 130C respectively shall be guilty of an offence and 20 be liable on conviction to a fine not exceeding one million rupees or to imprisonment of either description for a period not exceeding ten years or to both such fine and imprisonment.

|  |  |  |  |
| --- | --- | --- | --- |
| 25 | Regulations. | **130H.** The Minister may make regulations | |
| in respect of all or any of the following matters:- | |
| (*a*) | maintenance of the register of |

beneficial ownership of the   
company;

|  |  |  |
| --- | --- | --- |
| 30 | (*b*) | reporting of an acquisition of |
| beneficial ownership of the |

company; and

*Companies (Amendment)* 11

(*c*) for obtaining details relating to   
 beneficial ownership of the   
 company.

|  |  |  |
| --- | --- | --- |
| 5 | Interpretation. | **130I.** In this division- |
| “beneficial owner” means a natural |

person who ultimately owns or controls ten *per cent* or more of a company, in whole or in part, through, direct or indirect 10 ownership or control of shares or voting rights or other ownership interest in that company, and also includes a natural person who exercises effective control 15 through other means, and beneficial ownership is to be construed accordingly;

“effective control” includes a situation where control is exercised 20 indirectly either through a chain of ownership or by appointment or removal of a director or by any other means of indirect control, such as the ability to take strategic 25 decision that affects the operation of the company, its business practices or general direction of the company.”.

|  |  |  |
| --- | --- | --- |
| 30 | **8.** Section 206 of the principal enactment is hereby | Amendment |
| amended by the repeal of subsections (2) and (3) thereof and | of section |
| 206 of the |
| substitution therefor, of the following new subsections: - |
| principal |

enactment

12 *Companies (Amendment)*

“(2) Where a company intends to remove a director and appoint a new director in the place of the director so removed, a special notice shall be given to all shareholders of the company and it shall be the duty 5 of the secretary to the company to send a copy of the special notice to the director who is to be removed.

Such a director shall be entitled to be heard at such   
meeting irrespective of whether or not such director is   
a shareholder of that company.

10 (3) Upon the receipt of the special notice under subsection (2), the director concerned may, within fourteen working days from the date of receipt of the special notice make a representation to the company in writing requiring the company to notify each 15 shareholder of the company.

(4) The secretary to the company shall forthwith   
send a copy of the representation to every shareholder   
of the company. Where a copy of the representation   
has not been sent due to negligence of the company or

20 due to the fact that the representation was received after the expiry of a period specified therein, the secretary to the company shall read out the representation at the meeting, if such director so requires:

25 Provided that where the company is able to satisfy the court that the provisions of this section are being abused by the director concerned in order to secure unnecessary publicity of a defamatory nature, the company may seek an order of the court for costs 30 to be paid by such director, and to refrain from sending such representation to the shareholders or reading such representation at the meeting.”.

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| --- | --- | --- | --- |
| 5 | *Companies (Amendment)* | 13 | Amendment |
| **9.** Section 211 of the principal enactment is hereby | |
| amended in subsection (1) thereof by the substitution for | | of section |
| 211 of the |
| the words “valid only for one year from his appointment.” of | |
| principal |
| the words and figures, “valid till the next annual general | | enactment |
| meeting subject to paragraph (*b*) of subsection (1) of section | |

133 of the Act.”.

|  |  |
| --- | --- |
| **10.** Section 341 of the principal enactment is hereby amended by the repeal of subsection (3) thereof and the substitution therefor, of the following: - | Amendment of section  341 of the  principal |

enactment

10 “(3) Within one week from the date of the meetings referred to in subsection (1), or where no such meetings are held on the same date, from the date of the subsequent meeting, the liquidator shall send to the Registrar a copy of the accounts and shall make a 15 return to him confirming the fact of the holding of the meetings and of their dates, and where the copy is not sent or the return is not made in accordance with the provisions of this subsection, the liquidator shall be guilty of an offence and be liable on conviction to a

|  |  |  |
| --- | --- | --- |
| 20 | fine not exceeding fifty thousand rupees .”. | Amendment |
| **11.** Section 424 of the principal enactment is hereby |
| of section |
| amended in subsection (2) thereof, by the substitution for |
| 424 of the |
| the words “it may reasonably require.”, of the following: - |
| principal |

enactment

“it may reasonably require:

25 Provided however, where an administrator is unable to provide the required information within the period of time specified in the notice made under this subsection, such administrator may forward an application to the Registrar setting out therein the 30 reasons for such inability. Upon consideration of the application and reasons, the Registrar may extend,

14 *Companies (Amendment)*

subject to any terms and conditions if any, the period   
of time specified for the providing of information. The   
Registrar shall in writing communicate his decision to   
the administrator and the creditors’ committee.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | **12.** Section 471 of the principal enactment is hereby | | Amendment |
| amended as follows: - | | of section |
| 471 of the |
| (1) | in subsection (1) thereof, by the insertion of a new | principal |
| enactment |

paragraph immediately after paragraph (*a*), of the   
following: -

|  |  |  |
| --- | --- | --- |
| 10 | “(*aa*) | persons by name or by office, to be or to act |

as Additional Registrars-General of   
Companies;”;

(2) in subsection (2) thereof, by the substitution for the words and figure “subsection (1) as a Deputy 15 Registrar-General of Companies”, of the words and figure “subsection (1) as an Additional Registrar-General of Companies or a Deputy Registrar-General of Companies”;

|  |  |  |
| --- | --- | --- |
| 20 | (3) | by the addition immediately after subsection (2) |
| thereof, of the following: - |

“(3) Any class or category of officers of the Department of the Registrar-General of Companies may be paid incentive allowance in such manner and at such rates, and shall be subject to such conditions of 25 service, as may be prescribed in consultation with the Minister in charge of the subject of Finance.”.

|  |  |
| --- | --- |
| **13.** Section 472 of the principal enactment is hereby amended by the repeal of subsection (1) thereof and the substitution therefor, of the following: - | Amendment of section  472 of the  principal |

enactment

*Companies (Amendment)* 15

“(1) A person who is aggrieved by an act or decision   
of the Registrar may appeal to the court within fifteen   
working days after the date of receiving notice of the   
act or decision or such further time as the court may

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | allow.”. | | Insertion of |
| **14.** The following new section is hereby inserted | |
| 10 | immediately after section 484 of the principal enactment, | | new section |
| 484A of the |
| which shall have effect as section 484A of the principal | |
| principal |
| enactment. | |
| enactment |
| “Registrar’s | **484A.** (1) Where a company is unable to |
| 15 | power to  grant  extension for acts. | furnish such information or produce any book, register or other document before the date specified in the notice under subsection (1) of section 484, such company may make an |
| application together with the reasons therefor | |
| to the Registrar for an extension of such period. | |

Upon the consideration of the application and   
reasons, the Registrar may extend the time   
period subject to the terms and conditions as

|  |  |
| --- | --- |
| 20 | he may think fit to impose. The Registrar shall in writing communicate his decision to the |

company.

(2) Where the company fails to comply with the direction within the extended period of 25 time under subsection (1)—

(*a*) the company shall be guilty of an   
 offence and be liable on conviction   
 to a fine not exceeding five hundred   
 thousand rupees;

|  |  |  |
| --- | --- | --- |
| 30 | (*b*) | every officer of the company who is |

in default shall be guilty of an

offence and be liable on conviction

to a fine not exceeding two hundred

thousand rupees.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | 16 | *Companies (Amendment)* | Amendment |
| **15.** Section 487 of the principal enactment is hereby | |
| amended in subsection (5) thereof by the substitution for | | of section |
| 487 of the |
| the words “shall vest in and be at the disposal of the State.”, | |
| principal |
| of the following: - | | enactment |
| “shall vest in and be at the disposal of the State: | |

Provided that any company of which, the name has been struck off under subsection (3) may before the expiry of a period of ten years from the date of coming into operation of this amendment Act, apply 10 to court making the Attorney General a party to such application and show cause to the satisfaction of the court stating reasons why such company was unable to comply with the provisions of subsection (1). After

|  |  |
| --- | --- |
| 15 | such inquiry as the court may deem necessary, the court may permit the re-registration of the company |

and upon such registration make an order for the return   
to the company of all property previously vested in   
the State under this subsection:

Provided further that where property vested in 20 the State under the provisions of this subsection has been dealt with or disposed of, by the State, the rights of third parties who have acquired such rights from the State in good faith shall not be affected in any manner:

25 Provided however, where the property has been destroyed or damaged or, physical possession of the property has not been taken by the State, the State shall not be liable to any party in any manner.”.

|  |  |  |
| --- | --- | --- |
| 30 | **16.** Section 508 of the principal enactment is hereby | Amendment |
| amended by the repeal of subsection (1) thereof and | of section |
| 508 of the |
| substitution therefor, of the following: - |
| principal |

enactment

*Companies (Amendment)* 17

“(1) A party to a dispute –

(*a*) arising in giving effect to the provisions of   
 this Act; or

|  |  |  |
| --- | --- | --- |
| 5 | (*b*) | which relates to the management of affairs of |
| any company, |

may request the Companies Disputes Board that the dispute may be referred to for mediation before a member of the Companies Disputes Board and the President of the Companies Disputes Board may, if he deems appropriate, 10 refer the same for mediation to any member of the Companies Disputes Board.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | **17.** The following new section is hereby inserted | | Insertion of |
| immediately after section 513 of the principal enactment, | | new section |
| 513A in the |
| and shall have effect as section 513A of the principal | |
| principal |
| enactment: - | | enactment |
| “General penalties. | **513A.** (1) A person, a director, a secretary or an officer who contravenes or fails to comply |

with any provisions of this Act or any   
regulation made thereunder for which no

|  |  |
| --- | --- |
| 20 | punishment is expressly provided for such offence shall be guilty of an offence and be |

liable on conviction to a fine not exceeding five hundred thousand rupees or to imprisonment of either description for a period 25 not exceeding six months, or to both such fine and imprisonment.

(2) Where any provision of this Act is   
contravened or omitted or failed to comply with   
by a body of persons and where no punishment

30 is expressly provided in this Act, if such body of persons –

18 *Companies (Amendment)*

(*a*) is a body corporate, every director,   
manager or secretary of such body   
corporate;

|  |  |  |
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| 5 | (*b*) | is a firm, every partner of that firm; |
| (*c*) | or |
| is an unincorporated body other |

than a firm, every member of such   
body,

shall be deemed to have committed an offence 10 and shall, on conviction be liable to a fine not exceeding rupees five hundred thousand or to imprisonment of either description for a period not exceeding one year or to both such fine and imprisonment:

15 Provided however, that no such person shall be deemed to be guilty an offence if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of the

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| 20 | offence.”. | | Amendment |
| **18.** Section 529 of the principal enactment is hereby | |
| 25 | amended by the repeal of paragraph (*a*) of the definition of | | of section |
| 529 of the |
| the expression “distribution” and the substitution therefor, | |
| principal |
| of the following: - | | enactment |
| “(*a*) | the direct or indirect transfer of money or |

property other than the shares of the company   
by a capitalization of reserves of the company,   
to or for the benefit of a shareholder; or”.

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| 5 | *Companies (Amendment)* | 19 | Special |
| **19.** (1) Every company incorporated or registered under | |
| provisions |
| the Companies Act, No. 07 of 2007 or any former written | |
| relating to |
| law relating to companies and having beneficial owners on | | reporting, |
| receiving, |
| the appointed date shall, in the prescribed form and manner, | |
| etc. of details |
| forward to the Registrar the details relating to beneficial | | relating to |
| owners of that company in terms of section 130A within six | | beneficial |
| ownership of |
| months of the appointed date. | | the company |
| held on the |

appointed (2) Every depositary of a licensed stock exchange shall, date

within thirty days of the appointed date in the prescribed 10 form and manner, be required to verify, report, record and notify the Registrar of the details of the shareholders of the company who held ten *per cent* or more of the issued shares of the company on the appointed date.

(3) Every company shall, within thirty days of the 15 appointed date in the prescribed form and manner, be required to verify, report, record and notify the Registrar of the details of beneficial owners of the company on the appointed date.

(4) A company which contravenes or fails to comply with 20 any provisions of this section shall be guilty of an offence and be liable on conviction to a fine not exceeding fifty thousand rupees or to imprisonment of either description for a period not exceeding six months, or to both such fine and imprisonment.

25 (5) In this section the expression “former written law relating to companies” means any written law repealed by the Companies Ordinance (Chapter 145) or the Companies Act, No. 17 of 1982 or Companies Act, No. 07 of 2007.

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| 5 | 20 | *Companies (Amendment)* | Duty of the |
| **20.** (1) Every holder of any share warrants to bearer or | |
| bearer shares shall, within sixty days of the appointed date | | existing |
| holder of any |
| inform the issuing company of such fact and provide the | |
| share |
| company secretary in writing his name, address and other | | warrants to |
| bearer and |
| contact details. | | bearer share |

(2) The company shall, upon the receipt of details under subsection (1) register such details forthwith.

(3) Where any holder of any share warrants to bearer or bearer shares fails to comply with the provisions of 10 subsection (1), any rights associated with such share warrants to bearer or bearer shares shall stand nullified at the end of such period specified in that subsection.

(4) Every holder ofany share warrants to bearer or bearer shares shall, within sixty days from the appointed date or 15 upon the nullification under subsection (3), convert such share warrants to bearer or bearer shares to shares in registerable form for the purpose of the shareholder register under the provisions of section 123(1).

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| 20 | **21.** The sections of the principal enactment specified in | Amendment |
| Column I of the Schedule hereto, are hereby amended by the | of certain |
| sections of |
| substitution for the words and figures specified in the | the principal |
| corresponding entry in Column II, of the words and figures | enactment |

specified in the corresponding entry in Column III of that Schedule.

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| 25 | **22.** In the event of any inconsistency between the Sinhala | Sinhala text |
| and Tamil texts of this Act, the Sinhala text shall prevail. | to Prevail in |
| case of |

inconsisteney

*Companies (Amendment)* 21

SCHEDULE

(section 21)

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Column I Sections*  *Amended* | *Column II*  *Repeal* | *Column III Insert* |
| 1 | 28(1) | “comply with the requirments” | “comply with the requirements” |
| 2 | 37(3)(*a*) | “to the shatres or debentures;” | “to the shares or debentures;” |
| 3 | 40(3)(*b*) | “the dosuments (if any)” | “the documents (if any)” |
| 4 | 40(4) | “Where a  prosopectus” | “Where a  prospectus” |
| 5 | 41 (Marginal Note) | “Civil liability untrue in  prospectus.” | “Civil liability in respect of untrue statement in  prospectus.” |
| 6 | 41(2)(*c*) | “pubilc notice” | “public notice” |
| 7 | 44(*b*) | “referrence  incorporated” | “reference  incorporated” |
| 8 | 61(3)(*b*) | “relive the director” | “relieve the director”. |
| 9 | 64(3)(*a*) | “makes and offer” | “makes an offer”. |
| 10 | 67(2)(*b*) | “pruposes of section 56.” | “purposes of section 56.” |
| 11 | 77(1) | “title to the shares or debters”, | “title to the shares or debtors”. |
| 12 | 84(2) | “same priorites”, | “same priorities”; |
| 13 | 84(4) | “issue of another denenture”, | “issue of another debenture”; |
| 14 | 84(5) | “priority wihch  any person would have had”, | “priority which  any person would have had”. |

22 *Companies (Amendment)*

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Column I Sections*  *Amended* | *Column II*  *Repeal* | *Column III Insert* |
| 15 | 86(3) | “shares have been transfered”, | “shares have been transferred”. |
| 16 | 92(1)(*b*) | “transaction for the purpse”, | “transaction for the purpose”; |
| 17 | 92(1)(*e*) | “suchection (1)”, | subsection (1)”. |
| 18 | 95(2) | “under susection (1)”, | “under subsection (1)”. |
| 19 | 98(2) | “and the  compnay” | “and the  company”. |
| 20 | 102(4) | “provisions of this secetion,” | “provisions of this section,”; |
| 21 | 102(11)(*a*) | “fifty thouand rupees;”, | “ fifty thousand rupees;”. |
| 22 | 111(4) | “fails to  compaly”, | “fails to comply”. |
| 23 | 116(2) | “and the refereces is paragraph (*h*)”, of the words | “and the references in paragraph (*h*)”. |
| 24 | 119(1)(*b*) | “written  communications to all  sharehloders”, | “written  communications to all shareholders”. |
| 25 | 127 | “any nawspaper circulating”, | “any newspaper circulating”. |
| 26 | 129(1) | “entered on the shareregister”, | “entered on the share register”. |
| 27 | 142(5) | “company’s costs on an  applicaition”, | “company’s cost  on an application”. |

*Companies (Amendment)* 23

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Column I Sections*  *Amended* | *Column II*  *Repeal* | *Column III Insert* |
| 28 | 152(1)(*c*) | “sign on behlaf”, | “signed on behalf”. |
| 29 | 167(1) | “annual general meeting report”, | “annual report”. |
| 30 | 168(1)(*j*) | “subsidaries”, | “subsidiaries”. |
| 31 | 168(2) | “in paragraphs (*b*) to (*j*) of  subsection (1).”, | “in paragraphs (*d*) to (*j*) of subsection (1).”. |
| 32 | 175(5) | “Notwithstansing”, | “Notwithstanding”. |
| 33 | 180(4) | “where an  inspector is appinted”, | “where an  inspector is appointed”. |
| 34 | 182(3) | “appeal to the court”, | “appeal to the court”. |
| 35 | 185(2) | “corporal or  incorporeal”, | “corporeal or incorporeal”. |
| 36 | 220(1) | “working days form”, | “working days from”; |
| 37 | 220(4) | “auothorises or permits”, | “authorises or permits”. |
| 38 | 228(*c*) | (iiii) | (iii) |
| 39 | 241(3)(*e*) | “necessary to enble” | “necessary to enable”. |
| 40 | 242(1)(*b*)(iii) | “the board is satified”, | “ the board is satisfied” |
| 41 | 242(5) | “shall sign a cerificate” | “shall sign a certificate”. |
| 42 | 245(*f*) | “by or against an amagamating”, | “by or against an amalgamating”. |

24 *Companies (Amendment)*

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Column I Sections*  *Amended* | *Column II*  *Repeal* | *Column III Insert* |
| 43 | 246(3) | “whcih are to be so acquired”, | “which are to be so acquired”. |
| 44 | 248(2) | “under paragraph (*d*) of subsection (1)”, | “under paragraph (*e*) of subsection (1)”. |
| 45 | 249(2)(*b*)(vii) | “containing detalis”, | “containing details”. |
| 46 | 273(1) | “On hearing a winding-up  pritition”, | “On hearing a winding-up  petition”. |
| 47 | 274(*b*) | “to restrain further peoceedings”, | “to restrain further proceedings”. |
| 48 | 283(1) | “when the securites were respectively given”, | “when the securities were respectively  given”. |
| 49 | 284(1) | “In the case where a windingup  order”, | “In the case where a winding up order” . |
| 50 | 287 | “shall have affact”, | “shall have effect”. |
| 51 | 290 | “Where a  windingup order”, | “Where a winding up order”. |
| 52 | 292(2)(*c*) | “sequsetration in respect of that  balance as a  separate debt due from the bankrupt or insolvent, and ratebly with the  other seperate  creditors;”. | “sequestration in respect of that  balance separate debt due from the bankrupt or  insolvent, and  ratebly with the  other separate  creditors “; |
| 53 | 292(2)(*h*) | “windingup the affairs” | “winding up the affairs”. |
| 54 | 296(4) | “prescrihed fee”, | “prescribed fee”. |

*Companies (Amendment)* 25

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Column I Sections*  *Amended* | *Column II*  *Repeal* | *Column III Insert* |
| 55 | 298(1) | “made a final retuen”, | “made a final return”; |
| 56 | 298(3) | “discharge him  form all liability”, | “discharge him  from all liability”. |
| 57 | 299(1) | “seperate  meetings”, | “separate meetings”. |
| 58 | 324(1) | “not exceeding twelve moths” | “not exceeding twelve months”. |
| 59 | 326(2) | “directors shall cease, execpt”, | “directors shall cease, except”. |
| 60 | 328(1) | “on the liquidator or an anthority”, | “on the liquidator or an authority”. |
| 61 | 352 | “for the prupose of giving  jurisdiction”, | “for the purpose of giving jurisdiction”. |
| 62 | 358(11)(*a*) | “makes or  authourises”, | “makes or  authorizes”. |
| 63 | 373(4)(*a*) | “the period of one moth”, | “period of one month”. |
| 64 | 377(6) | “the lessor’s  convenants in the lease”, | “the lessor’s  covenants in the lease”. |
| 65 | 387 | “shall be exempt form stamp duty”, | “shall be exempt from the stamp  duty”.” |
| 66 | 389(3) | “appeal to the  Court of Appeal”, | “appeal to the courts”. |
| 67 | 396(3) | “to the Deputy Secretaty”, | “to the Deputy Secretary”. |
| 68 | 404(5) | “shall prepare proposals in  accodroance with”, | “shall prepare  proposals in  accordance with”. |

26 *Companies (Amendment)*

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Column I Sections*  *Amended* | *Column II*  *Repeal* | *Column III Insert* |
| 69 | 414 (Marginal Note) | Consent to be  appointmented. | “Consent to be appointed” |
| 70 | 428(2) | “shall be  registrered”, | “shall be  registered”; |
| 71 | 428(3) | “sections 16 to 22 of the Registration of Decuments  Ordinance”, | “sections 16 to 22 of the Registration of Documents  Ordinance”. |
| 72 | 431(6) | “unless the  floating charge was registered in repsect of that  land”, | “unless the  floating charge was registered in respect of that  land”. |
| 73 | 449(2)(*a*) | “to obtain the mortagee’s  consent”, | “to obtain the mortgagee’s  consent”. |
| 74 | 450(3)(*d*) | “called upon to  fulfil obligations”, | “called upon to  fulfill obligations”; and |
| 75 | 450(4) | “refrains form acting” | “refrains from acting”. |
| 76 | 470(1) | “for the pruposes”, | “for the purposes”. |
| 77 | 472(2) | “court” (wherever it appears in that subsection) | “court” |
| 78 | 481(3) | “nothing in this section shall,  rejudice the  operation”, | “nothing in this section shall,  prejudice the  operation”. |
| 79 | 482 | “Department of  the Registrar- General” (wherever occurs) | “Department of the Registrar- General of  Companies” |

*Companies (Amendment)* 27

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Column I Sections*  *Amended* | *Column II*  *Repeal* | *Column III Insert* |
| 80 | 514(1) | “credited to the Fund estabilshed under this Act.”, | “credited to the Fund established under this Act.”. |
| 81 | 519(3)(*c*) | “a pertnership formed for the purpose”, | “a partnership formed for the purpose”. |
| 82 | First Schedule 17(3) | “less that ten *per centum*”, | “less than ten *per centum*”; |
| 83 | First Schedule 17(4) | “less that ten *per centum*”, | “less than ten *per centum*”; |
| 84 | First Schedule 31(1) | “board may form time to time” | “board may from time to time”. |
| 85 | Fourth  Schedule  Part I 7 | “each provious allotment”, | “each previous allotment”; |
| 86 | Fourth  Schedule  Part I 9 | “those shates or debentures”, | “those shares or debentures”; |
| 87 | Fourth  Schedule  Part II  20(3)(*b*)(i) | “combine assest and liabilities”, | “combine assets and liabilities”; |
| 88 | Fourth  Schedule  Part II  20(3)(*b*)(ii) | “assets and liabilites” | “assets and  liabilities”; |
| 89 | Fourth  Schedule Part II  22 (1)(*a*) | “shares or  debentrures” | “shares and  debentures”; |

28 *Companies (Amendment)*

|  |  |  |  |
| --- | --- | --- | --- |
| *No.* | *Column I Sections*  *Amended* | *Column II*  *Repeal* | *Column III Insert* |
| 90 | Fourth  Schedule Part II 22(2)(*b*) | “body corporate has subsidaries” | “body corporate has subsidiaries”. |
| 91 | Fifth Schedule (*a*) | “general  meering” | “general meeting”; |
| 92 | Fifth Schedule (*b*) | “shareholders at the date of the  retuen” | “shareholders at the date of the  return”. |

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| *Companies (Amendment)* | 29 |

DEPARTMENTOFGOVERNMENTPRINTING