



# PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

## DEVELOPMENT LOTTERIES BOARD ACT, No. 20 OF 1997

[Certified on 12th August, 1997]

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L. D.—O. 8/96.

**AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A DEVELOPMENT  
LOTTERIES BOARD FOR THE CONDUCT OF LOTTERIES AND FOR  
MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO**

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

1. This Act may be cited as the Development Lotteries Board Act, No. 20 of 1997. **Short title.**

**PART I**

**ESTABLISHMENT OF THE DEVELOPMENT LOTTERIES BOARD**

2. (1) There shall be established a Board which shall be called the Development Lotteries Board, (hereinafter referred to as "the Board"). **Establishment of the Development Lotteries Board.**

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

3. (1) The Board shall consist of—

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

- (i) the Chairman of the Mahapola Higher Education Scholarship Trust Fund or his representative ;

- (ii) the secretary to the President or his representative ;

- (iii) the Secretary to the Ministry of the Minister or his representative ; and

- (b) two other members appointed by the Minister.

A member appointed under paragraph (b) shall hereinafter be referred to as an appointed member.

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(2) A person shall be disqualified from being appointed or continuing as a member of the Board if he—

- (a) is a Member of Parliament, a member of a Provincial Council or a member of a local authority ;
- (b) directly or indirectly, by himself or by any other person on his behalf, holds or enjoys any right or benefit under any contract made by or on behalf of, the Board ;
- (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 an insolvent, or a bankrupt under any law in force in Sri Lanka or in any other country, is an undischarged insolvent or bankrupt ; or
- (e) is a person on whom a sentence of imprisonment (including a suspended sentence) has been imposed by any court in Sri Lanka or in any other country.

### Term of office of members.

4. (1) Every appointed member of the Board shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of three years reckoned from the date of his appointment and shall unless has been removed from office, be eligible for reappointment.

(2) Every *ex-officio* member of the Board shall hold office so long as he holds the post by virtue of which he was a member of the Board.

(3) Where an appointed member by reason of illness, infirmity or absence from Sri Lanka for a period of not less than three months is temporarily unable to perform the duties of his office, it shall be the duty of such member to inform the Minister of such inability and thereupon the Minister may, having regard to the provisions of section 3 appoint some other person to act in his place.

5. (1) The Minister may, by Order published in the Gazette remove any appointed member from office without assigning any reason therefor.

Removal and  
resignation of  
appointed members.

A member in respect of whom an Order under this section is made shall be deemed to have vacated his office on the date of publication of such Order in the Gazette.

(2) Any appointed member, may at any time resign his office by letter to that effect addressed to the Minister and sent by registered post.

(3) In the event of the vacation of office by death, resignation or removal of any appointed member, the Minister may having regard to the provisions of section 3 appoint any other person to succeed such member. Any person so appointed shall hold office for the unexpired term of office of the member whom he succeeds.

6. (1) The Minister shall appoint a Chairman of the Board from among the members of the Board.

Chairman of the Board.

(2) The Chairman shall be the chief executive officer of the Board and subject to the direction and control of the Board, be charged with the administration and management of the affairs of the Board.

(3) If the Chairman of the Board becomes by reason of illness, infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may appoint any other member of the Board to act in his place.

(4) The Minister may, without assigning any reason therefor, remove the Chairman from office and such removal shall not be called in question in any court.

(5) The Chairman may resign from the office of Chairman by letter addressed in that behalf to the Minister.

(6) Subject to the provisions of subsections (4) and (5), the term of office of the Chairman shall be the period of his membership of the Board.

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Meetings of the Board.

7. (1) Meetings of the Board shall be held at least once in every month and in addition, as frequently as are necessary for the purpose of discharging its functions under this Act.

(2) The Chairman of the Board shall if present, preside at every meeting of the Board. In the absence of the Chairman from any such meeting, the members present at such meeting shall elect one of the members present, to preside at such meeting.

(3) The quorum for any meeting of the Board shall be three members.

(4) The Chairman or any member presiding at any meeting of the Board, shall in addition to his own vote, have a casting vote.

(5) Subject to the other provisions of this Act, the Board may regulate the procedure in regard to the meetings of the Board and the transaction of business at such meetings.

Acts or proceedings of the Board deemed not to be invalid by reason of any vacancy or defect in the appointment of a member.

8. No act, decision or proceeding of the Board shall be deemed to be invalid by reason only of the existence of any vacancy in the Board or any defect in the appointment of any member thereof.

Remuneration of Members of the Board.

9. The members of the Board may be paid such remuneration out of the Fund of the Board in such manner and at such rates, as may be determined by the Minister.

Seal of the Board.

10. (1) The seal of the Board may be determined and devised by the Board and may be altered in such manner as may be determined by the Board.

(2) The seal of the Board shall be in the custody of such person as the Board may decide from time to time.

(3) The seal of the Board shall not be affixed to any instrument or document except with the sanction of the Board and in the presence of the Chairman and one member of the Board both of whom shall sign the instrument or document in token of their presence and such signing shall be independent of the signing of any person as a witness.

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

**11. (1) The functions of the Board shall be—**

**Functions of the Board.**

(a) to conduct, or arrange for the conduct, of lotteries for the purpose of generating funds for the President's Fund ;

(b) to remit, as provided for in this Act, the proceeds of lotteries so conducted to the President's Fund to enable the President's Fund to make contributions to the Mahapola Higher Education Scholarship Trust Fund.

(2) For the purpose of discharging the functions referred to in subsection (1) the Board shall have the following powers :—

(a) to acquire, hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property of the Board ;

(b) to obtain loans on such terms and conditions as may be approved by the Minister for the purpose of discharging its functions ;

(c) to accept gifts, grants or donations whether in cash or otherwise, and to apply them for the purpose of discharging its functions ;

(d) to employ in consultation with the Minister, such officers and servants as may be necessary for discharging the functions of the Board and determine the terms and conditions of such employment ;

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- (e) to determine in consultation with the Minister the wages, salaries or other remuneration payable to such officers and servants ;
- (f) to establish, in consultation with the Minister and regulate, provident funds and other schemes for the benefit of such officers and servants, and make contributions to any such fund or scheme ;
- (g) to enter into and perform all such contracts whether in or outside Sri Lanka, as may be necessary for the exercise of the powers and the discharge of the functions of the Board ;
- (h) to make rules in respect of the administration of the affairs of the Board ; and
- (i) generally, to do all other things as are necessary to facilitate the proper discharge of the functions of the Board.

**Minister to give directions to the Board.**

**12.** In the exercise of its powers and the discharge of its functions under this Act, the Board shall be subject to such general or special direction, as may be issued to it by the Minister.

### PART II

#### FINANCE AND STAFF OF THE BOARD

**Fund of the Board.**

**13.** (1) The Board shall have its own Fund. (hereinafter referred to as the "Fund")

(2) There shall be credited to the Fund—

- (a) all such sums of money as may be voted from time to time by Parliament, for the use of the Board ; and
- (b) all such sums of money as are required by this Act to be paid to the Fund.

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

(4) All cheques for the payment of moneys out of the fund shall be signed by such member of the Board and by any such officer employed by the Board as may be prescribed by rules made by Board.

14. (1) The financial year of the Board shall be the **Financial year and audit of accounts.** calender year.

(2) The Board shall cause proper books of accounts to be kept of the income and expenditure including the contributions made by it to the President's Fund, assets and liabilities and all other transactions of the Board.

(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 the accounts of the Board.

15. (1) At the request of the Board, any officer in the public service may, with the consent of that officer and of the Secretary to the Ministry of the Minister in charge of the subject of Public Administration or of the appropriate Ministry, be temporarily appointed to the staff of the Board for such period as may be determined by the Board, with like consent, or with like consent be permanently appointed to such staff.

**Appointment of public officers to the staff of the Board.**

(2) Where any officer in the public service is temporarily appointed to the staff of the Board, the provisions of subsection (2) of section 13 of the Transport Board Law, No. 19 of 1978 shall, *mutatis mutandis*, apply to and in relation to him.

(3) Where any officer in the public service is permanently appointed to the staff of the Board, the provisions of subsection (3) of section 13 of the Transport Board Law, No. 19 of 1978 shall, *mutatis mutandis*, apply to and in relation to him.

(4) Where the Board employs any person who has entered into a contract with the Government to serve the Government for a specified period, any period of service to the Board shall be regarded as service to the Government, for the purpose of discharging the obligations of such contract.

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**PART III**

**CONDUCT OF LOTTERIES**

The Board to conduct lotteries.

**16.** (1) The Board shall conduct or arrange for the conduct of lotteries for the purpose of this Act. Every lottery so conducted shall hereinafter in this Act be referred to as "a development lottery".

(2) Every development lottery shall be conducted in such manner as may be prescribed, subject however to the provisions of this Act.

Development lottery prizes.

**17.** (1) The number of the prizes to be awarded in each development lottery and the type and value of each of such prize shall be as prescribed.

(2) Every prize awarded in a development lottery may consist of any one or more of the following :—

(a) a house ;

(b) a motor vehicle ;

(c) any article of whatsoever description ; or

(d) a sum of money.

(3) Any prize awarded under subsection (2) shall be exempt from the payment of income tax under the Inland Revenue Act, No. 28 of 1979.

(4) The prize winners in every development lottery shall be determined by the drawing of lots in public or in such other manner as may be prescribed.

(5) After the expiration of a period of six months reckoned from the date of the determination of prize winners in any development lottery, any prize in such lottery which has not been awarded to the person entitled thereto by reason of the fact that such person is not to be found shall be forfeited and where the prize is a sum of money such sum of money, or

where the prize is a house, a motor vehicle or other article, the proceeds from the sale of such house, motor vehicle or article shall be credited to the Fund in the first instance and thereafter credited to the President's Fund:

Provided, however, that where any action or proceeding arising out of any claim made in respect of such prize is pending before any Court at the expiration of the period aforesaid, such forfeiture shall not be made, and if in the final determination of that action or proceeding any person is declared to be entitled to such prize, the Board shall award such prize to that person, and if no person is so declared and where the prize is a sum of money, such sum of money, or where the prize is a house, a motor vehicle or other article, the proceeds from the sale of such house, motor vehicle or article shall be credited to the Fund in the first instance and thereafter credited to the President's Fund.

**18. (1) The proceeds of every development lottery conducted under this Act, shall in the first instance be credited to the Fund.**

Proceeds of development lotteries.

(2) The Board shall pay to the President's Fund the balance of the proceeds of every development lottery after the deduction from such proceeds an amount approved by the Secretary to the Ministry in charge of the subject of Finance as the amount necessary for the purpose of—

(a) defraying, or reimbursing the Fund for the payment of, the expenses incurred by the Board in conducting such lottery, including the value of the prizes awarded in such lottery ;

(b) paying the whole or part of the remuneration, if any, of the members of the Board and the remuneration of the officers and servants of the Board ;

(c) paying the whole or a part of any contributions payable by the Board to any such provident fund or scheme as is referred to in section 11(2) (f) ; and

(d) meeting other liabilities of the Board.

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(3) where any prize money in a development lottery is not won by any person, such prize money shall, notwithstanding anything in this section, be credited to a "Prize Reserve Account", and the sums accumulated in such account shall be used for the award of prizes in subsequent development lotteries.

**Rules.**

19. (1) The Board may make rules in respect of all matters stated or authorized by this Act to be prescribed or in respect of which rules are authorized to be made by this Act.

(2) Without prejudice to the generality of the provisions of subsection (1), rules may be made in respect of all or any of the following matters :—

(a) the price at which tickets in every development lottery are to be sold ;

(b) the particulars to be stated on every development lottery ticket ;

(c) the manner in which tickets in every such development lottery are to be sold or offered for sale ;

(d) the employment of agents for the sale of development lotteries tickets and the remuneration payable to such agents ;

(e) the publication of the number of each winning ticket in every such development lottery and of the name and address of the person entitled to such ticket ; and

(f) all other matters in respect of which rules are required to be made under this Act.

(3) No rule made by the Board under this section shall have effect until it has been approved by the Minister and published in the Gazette as soon as it may be convenient.

## PART IV

### GENERAL

**20.** The Board shall be deemed to be a Scheduled Institution within the meaning of the Bribery Act and the provisions of that Act shall be construed accordingly.

Board to be a Scheduled Institution within the meaning of the Bribery Act.

**21.** All officers and servants of the Board shall be deemed to be public servants within the meaning and for the purposes of the Penal Code.

Officers and servants of the Board deemed to be public servants.

**22.** (1) The provisions of the Lotteries Ordinance (Chapter 45) and Part I of the Finance Act, No. 11 of 1963 shall not apply to and in relation to any lottery, conducted or arranged to be conducted under this Act.

Lotteries Ordinance not to apply to Lotteries.

(2) For the avoidance of doubts it is hereby declared that—

(a) the conduct or the arranging for the conduct of ;

(b) the drawing of a ticket in ;

(c) the buying or selling of a ticket in ;

(d) assisting in the conduct of ; or

(e) the use of any premises for the conduct of,

a development lottery shall not be a contravention of any provision of the Lotteries Ordinance (Chapter 45) and the Board shall not be liable to pay, in respect of a development lottery, any tax under section 19 of that Ordinance.

**23.** (1) No suit or prosecution shall lie—

(a) against the Board for any act which in good faith is done or purported to be done by the Board under this Act ; or

Protection for action taken under this Act or on the direction of the Board.

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(b) against any member, officer or servant of the Board for any act which in good faith is done or purported to be done by him under this Act or on the direction of the Board.

(2) Any expenses incurred by the Board in any suit or prosecution brought by, or against, the Board before any Court shall be paid out of the Fund of the Board and any costs paid to, or recovered by, the Board in any such suit or prosecution shall be credited to the Fund.

(3) Any expense incurred by any person as is referred to in paragraph (b) of subsection (1) in any such suit or prosecution brought against him before any Court, in respect of any act, which is done or purported to be done by him under this Act, or on the direction of the Board shall, if the Court holds that such act was done in good faith, be paid out of the Fund of the Board, unless such expense is recovered by him in such suit or prosecution.

**Offences.**

**24. Every person who—**

(a) sells, or offers for sale, any ticket for the purposes of any development lottery at a price exceeding the price specified in respect of such ticket by rule made under this Act ; or

(b) forges or alters any ticket for the purposes of any such lottery ; or

(c) sells, or offers for sale, any ticket for the purposes of any such lottery, knowing it to be forged or altered,

shall be guilty of an offence under this Act and shall on conviction after summary trial before a Magistrate, be liable to a fine not exceeding ten thousand rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.

**25.** (1) All trust property held by the Trustee under the Development Lotteries Trust created on May 25th, 1993 (hereinafter referred to as the "Trust") on the day immediately preceding the date of commencement of this Act shall, with effect from the date of commencement of this Act, be deemed to vest in, and to be, the property of the Board, free from any trust attaching thereto.

Transitional provisions.

(2) All contracts entered into by the Trustee of the Trust created on May 25th, 1993 and subsisting on the day immediately preceding the date of commencement of this Act shall, with effect from the date of commencement of this Act, be deemed to be contracts of the Board.

(3) The liabilities incurred by the Trustee of the Trust and subsisting on the day immediately preceding the date of commencement of this Act shall, with effect from the date of commencement of this Act, be deemed to be the liabilities of the Board.

(4) Every person employed by the Trustee of the Trust for the purposes of the Trust and in employment on the day immediately preceding the date of commencement of this Act, shall be offered employment in the Board on terms not less favourable than the terms enjoyed by him in the service of the Trust, on the day immediately preceding the date of commencement of this Act.

**26.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency.

**27.** In this Act, unless the context otherwise requires— Interpretation.

"local authority" means any Municipal Council, Urban Council or Pradeshiya Sabha and includes any authority created and established by, or under, any law to exercise, perform and discharge powers, duties and functions corresponding, or similar, to the powers, duties and functions exercised, performed or discharged by any such Council or Sabha;

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**“Mahapola Higher Education Scholarship Trust Fund”**  
means the Mahapola Higher Education Scholarship  
Trust Fund established by the Mahapola Higher  
Education Scholarship Trust Fund Act, No. 66 of  
1981 ;

**“prescribed”** means prescribed by rule made under this  
Act ;

**“President’s Fund”** means the President’s Fund established  
by the President’s Fund Act, No. 7 of 1978 ;

**“Provincial Council”** means a Provincial Council  
established by Article 154A of the Constitution.

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