



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

LAND REFORM (SPECIAL PROVISIONS)
ACT, No. 39 OF 1981

[Certified on 3rd June, 1981]

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**Land Reform (Special Provisions)
Act, No. 39 of 1981**

[Certified on 3rd June, 1981] (6)
L.D.—O. 11/79

**AN ACT TO AMEND THE LAND REFORM LAW, No. 1 OF 1972,
TO MAKE SPECIAL PROVISION IN REGARD TO CERTAIN ORDERS
AND DETERMINATIONS MADE UNDER SECTIONS 13, 14 AND 19
OF THAT LAW; AND TO PROVIDE 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 Land Reform (Special Provisions) Act, No. 39 of 1981. Short title.

PART I

AMENDMENTS TO THE LAND REFORM LAW, No 1 OF 1972

2. Section 3 of the Land Reform Law, No. 1 of 1972, as amended by Law No. 39 of 1975, (hereinafter in this Part of this Act referred to as the "principal enactment"), is hereby amended as follows:—

Amendment
of section 3
of Law No. 1
of 1972.

(a) in subsection (4) of that section, by the addition, immediately after paragraph (b) of that subsection, of the following new paragraph:—

"(c) where any land is owned by a trustee under a private trust for the benefit of any other person, the private trust,"; and

(b) by the addition, immediately after subsection (4) of that section, of the following new subsection:—

"(5) Notwithstanding anything in the proviso to subsection (4), where any agricultural land is leased by the Republic to any person for a project approved by the Minister, as being in the interest of agricultural development, the lessee of such agricultural land shall not be deemed, for the purposes of subsection (1), to be the owner of such land."

3. Section 5 of the principal enactment is hereby amended as follows:—

Amendment
of section 5
of the
principal
enactment.

(a) by the renumbering of that section as subsection (1) of that section; and

(b) by the insertion, immediately after subsection (1) of that section, of the following new subsection :—

‘ (2) Where any person becomes by reason of marriage or by way of inheritance, or both, the owner of agricultural land in excess of the ceiling on any day after the date of enactment of this subsection (in this subsection referred to as the “relevant date”) the provisions of subsection (1) shall not apply, and accordingly such person may transfer, by way of sale or otherwise, such excess within a period of two years from the relevant date. Where such person fails to transfer such excess within such period, such excess shall, at the expiration of such period,—

(a) be deemed to vest in the Commission ; and

(b) be deemed to be held by that person under a statutory lease from the Commission.’

Amendment
of section 12
of the
principal
enactment.

4. Section 12 of the principal enactment is hereby amended by the addition, at the end of that section, of the following new subsection :—

“ (4) In calculating the period of prescription for the purpose of any action or proceeding in a civil court in respect of any such mortgage, lease, usufruct or life interest as is referred to in subsection (1) the period commencing on the date on which the agricultural land (which was subject to the mortgage, lease, usufruct or life interest) was vested in the Commission and ending on the date on which the compensation payable to the owner of such land is determined shall be excluded.”

Amendment
of section 14
of the
principal
enactment.

5. Section 14 of the principal enactment is hereby amended by the insertion, immediately after subsection (2) of that section, of the following new subsection :—

“ (2A) From and after the date of enactment of this subsection, no statutory lessee shall be granted approval by the Commission under subsection (2) to transfer under subsection (1) any agricultural land in excess of one hundred and fifty acres in the aggregate :

Provided that the preceding provisions of this subsection shall not apply in respect of any agricultural land the possession of which, notwithstanding anything in this Law, has been handed over to any declarant or any member of the family of the declarant, under this section prior to the enactment of this subsection.”

6. Section 18 of the principal enactment is hereby amended by the insertion, immediately after subsection (4) of that section, of the following new subsection :—

Amendment
of section
18 of the
principal
enactment.

‘ (4A) Notwithstanding anything in subsection (4), any person who becomes by reason of marriage or by way of inheritance, or both, the owner of agricultural land in excess of the ceiling on any day after the date of enactment of this subsection (in this subsection referred to as the “relevant date”) and who has failed to transfer by way of sale or otherwise such excess within a period of two years from the relevant date shall, within one month after the expiration of such period, make a declaration as provided for in this section.’

7. Section 22 of the principal enactment is hereby amended as follows :—

Amendment
of section
22 of the
principal
enactment.

(1) in subsection (1) of that section—

(a) by the insertion, immediately after paragraph (b) of that subsection, of the following new paragraph :—

“ (bb) alienation, by way of sale with the approval of the Minister, for non-agricultural purposes ; ” ; and

(b) by the substitution, for paragraph (f) of that subsection, of the following paragraph :—

‘ (f) alienation, by way of sale to any person who—

(i) owned agricultural land on the day immediately preceding the date of commencement of this Law, or

(ii) was deemed, by reason of the operation of section 7 or section 8, to own agricultural land on the date of commencement of this Law,

and who was dispossessed of such land by reason of the fact that, such person being a person under eighteen years of age at the time of the imposition of the ceiling on agricultural land, the land owned by him was

included in the extent of land deemed to be owned by the head of the family, of which such person was a member.

An alienation may be made under this paragraph notwithstanding the fact that the alienee continues to be under eighteen years of age on the date of alienation and where an alienation of agricultural land is made under this paragraph to a person under eighteen years of age, such person shall, for the purposes of ownership of such land, be deemed to be a "person" within the meaning of this Law.

Where land owned by a person, who was under eighteen years of age at the time of the imposition of the ceiling on agricultural land, has not, on the date of enactment of this paragraph, been alienated to any person under section 22, and no compensation has been paid under section 28 in respect of such land, the Minister may, in lieu of alienating such land under the preceding provisions of this paragraph, by Order published in the *Gazette*, vest such land in such person. Such Order shall have the effect of giving such person absolute title to such land as from the date of such Order ; and

(2) by the addition, at the end of that section, of the following new subsection :—

" (4) It shall be lawful for the Commission to alienate by way of lease under paragraph (b) or paragraph (bb) of subsection (1), agricultural land to any person in excess of fifty acres for such purposes as may be approved by the Minister."

8. The following new sections are hereby inserted immediately after section 27, and shall have effect as sections 27A and 27B, of the principal enactment:—

Insertion
of new
sections
27A and 27B
in the
principal
enactment.

"Minister
may by
Order vest
in State
Corporation
agricultural
or estate
land vested
in the
Commission.

27A. (1) At the request of the Commission, the Minister may, where he considers it necessary in the interest of the Commission to do so, subject to sections 22, 23 and 42H, by Order published in the *Gazette*, vest, in any State Corporation specified in the Order, with effect from a date specified in that Order, any agricultural land or estate land or any portion of the land vested in the Commission under this Law, and described in the Order, subject to such terms and conditions relating to consideration for the vesting of that land in such Corporation as may be agreed upon between the Commission and such Corporation.

(2) An Order under subsection (1) shall have the effect of vesting in such State Corporation specified in the Order such right, title and interest to the agricultural land or estate land or portion thereof described in that Order, as was held by the Commission on the day immediately preceding the date on which the Order takes effect.

(3) Where any agricultural land or estate land or any portion thereof is vested in a State Corporation by an Order made under subsection (1), all the rights and liabilities of the Commission under any contract or agreement, express or implied, which relate to such agricultural land or estate land or portion thereof, and which subsist on the day immediately prior to the date of such vesting, shall become the rights and liabilities of such State Corporation.

(4) Where any term or condition relating to consideration for the vesting of any agricultural land or estate land or portion thereof in any such State Corporation by an Order under subsection (1) is not complied with, the Minister may by Order published in the *Gazette*, revoke the Order under

subsection (1) relating to that land and thereupon that land shall revest in the Commission.

**Revival of
certain
encum-
brances.**

27B. (1) Where any agricultural land is transferred to any person in consequence of an order under section 14 or is alienated, or vested in, any person under paragraph (f) of section 22 or where any person is allowed to retain any agricultural land in consequence of a determination made under section 19, such order, alienation, vesting or determination, as the case may be, shall have the effect of reviving, with effect from the date of such order, alienation, vesting or determination, as the case may be, any encumbrance which subsisted over that land on the day immediately preceding the date on which that land was vested in the Commission.

(2) In calculating the period of prescription for the purposes of any action or proceeding in a civil court in respect of any such encumbrance as is referred to in subsection (1), the period during which the agricultural land, which was subject to that encumbrance, was vested in the Commission shall be excluded."

**Amendment
of section
28 of the
principal
enactment.**

9. Section 28 of the principal enactment is hereby amended by the addition, at the end of that section, of the following new subsections:—

(3) (a) Where on the date of enactment of this subsection, no compensation has been paid in respect of any agricultural land vested in the Commission prior to that date, the compensation payable in respect of such agricultural land shall, notwithstanding anything in subsections (1) and (2), be computed on either of the following basis, according to the election of the person who was the owner of that agricultural land on the day immediately preceding the date on which the land was vested in the Commission:—

(i) an amount not exceeding fifteen times the average annual profits of such agricultural land, if such land is not paddy land and ten times such average annual profit if such land is paddy land, for the accounting

year immediately prior to May 29, 1971, and the four accounting years immediately preceding the first-mentioned accounting year ; or

- (ii) (A) in the case of agricultural land planted with tea, rubber or coconut, a sum calculated on the basis of the average annual yield per acre from the acreage in production of such agricultural land for the three accounting years immediately preceding the date on which such agricultural land vested in the Commission, so however, that where the average annual yield per acre of such agricultural land is equal to an amount specified in Column I hereto, the sum payable in respect of each acre of such agricultural land shall be equal to the sum specified in the corresponding entry in Column II hereto.

<i>Column I</i>	<i>Column II</i>
Average annual yield per acre	Amount of compensation per acre Rs.
<i>Tea</i>	
Over 1,500 lbs.	2,500
Over 1,000 lbs. but not exceeding 1,500 lbs.	2,000
Over 750 lbs. but not exceeding 1,000 lbs	1,500
750 lbs. and under	1,000
<i>Rubber</i>	
Over 1,000 lbs	2,500
Over 750 lbs. but not exceeding 1,000 lbs.	2,000
Over 500 lbs. but not exceeding 750 lbs.	1,500
500 lbs. and under ...	1,000
<i>Coconut</i>	
Over 3,000 nuts	2,500
Over 2,000 nuts but not exceed- ing 3,000 nuts	2,000
2,000 nuts and under	1,500 ; or

- (B) in the case of agricultural land planted with cocoa, cinnamon, pepper, paddy or any other agricultural product, a sum calculated at the rate of Rs. 2,000 for each acre of such agricultural land in production.

(b) There shall be deducted from any amount computed in accordance with sub-paragraph (i) of paragraph (a) as the compensation payable in respect of any agricultural land, every sum paid as subsidy for replanting, factory modernization, tea chests and fertilizer by the Government or any State Corporation in respect of that agricultural land during the five accounting years immediately prior to May 29, 1971.

In this subsection "annual profits" in relation to any agricultural land for an accounting year means the aggregate of—

- (i) the profits and income, within the meaning of the Inland Revenue Act, No. 4 of 1963, from such land for that year as assessed by an Assessor or as agreed to with an Assessor by the former owner or where not so assessed or agreed to, as declared to the Assessor by such former owner; and
- (ii) any sum claimed as a deduction for the purposes of ascertaining the profits and income, within the meaning of the Inland Revenue Act, No. 4, 1963, of the former owner for that year, under paragraph (a) or paragraph (h) or paragraph (i) of section 10 or section 53 or section 53A of that Act.

(c) Where any person is entitled to compensation computed in accordance with the provisions of sub-paragraph (i) of paragraph (a) in respect of any agricultural land, and such agricultural land has, within the seven years immediately preceding the date on which such land vested in the Commission, been planted or replanted with any agricultural crop specified in Column I hereto, such person shall be entitled, in addition to the compensation so computed, to the payment of a sum equal to the sum specified in the corresponding entry in Column II hereto for each acre of agricultural land so planted or replanted,

Column I	Column II
	Rs.
Tea	3,000
Rubber	2,500
Coconut	2,500
Paddy	2,500
Cocoa	2,000
Cinnamon	2,000
Any other agricultural crop	2,000

(4) Notwithstanding anything in subsections (1), (2) and (3) the compensation payable in respect of any agricultural land vested in the Commission after the date of enactment of this subsection shall be an amount equal to the price which in the opinion of the Chief Valuer that land would have fetched if sold in the open market on March 31, 1977, increased by an amount equal to the cost of improvements, if any, made to such land after March 31, 1977.

(5) Notwithstanding any other provision in this Law the Commission may pay to any person entitled to compensation in respect of any agricultural land vested in the Commission under this Law, such amount and in such manner or mode as the Minister may in consultation with the Minister in charge of the subject of Finance direct the Commission to pay, pursuant to any agreement or negotiated settlement reached between the Commission and such person, in respect of the amount of compensation for such agricultural land vested and the manner and mode of payment thereof.

10. The following new section is hereby inserted immediately after section 28, and shall have effect as section 28A, of the principal enactment:—

“ Provision relating to the waiver or refund of certain taxes.

28A. (1) Where any person who has been paid any compensation under this Law in respect of any agricultural land vested in the Commission is noticed to pay any income tax, wealth tax or gifts tax for any year of assessment under the Inland Revenue Act, No. 4 of 1963, or any capital levy under the Capital Levy Act, No. 51 of 1971, or any estate duty under the Estate Duty Ordinance on profits or value, as the case may be, of such land which exceeds the profits or value, as the case may be, on which the compensation payable in respect of such land was computed, such person shall be entitled to have the assessment in respect of such tax, levy or duty, as the case may be, revised and to have such part of such tax, levy or duty as is attributable to such excess waived.

(2) Where any person who has been paid any compensation under this Law in respect of any agricultural land vested in the

Insertion of new section 28A in the principal enactment.

Commission, has paid any income tax, wealth tax or gifts tax for any year of assessment under the Inland Revenue Act, No. 4 of 1963, or any capital levy under the Capital Levy Act, No. 51 of 1971, or any estate duty under the Estate Duty Ordinance on the profits or value, as the case may be, of such land which exceeds the profits or value as the case may be, on which the compensation payable in respect of such land was computed, such person shall be entitled to have such part of such tax, levy, or duty as is attributed to such excess refunded to him.

(3) A revision of an assessment under subsection (1) or a refund under subsection (2) shall be made only on a claim made by the person on whom the assessment is made or who has paid the tax, levy or duty, as the case may be, by notice in writing addressed to the Commissioner-General of Inland Revenue, within one year of the date of payment of compensation to such person under section 28 or within one year of the date of enactment of this section, whichever is the later date.

(4) Where a claim is made under this section for the revision of any assessment of income tax, wealth tax, gifts tax, capital levy or estate duty or for the refund of any such tax, levy or duty, such assessment may be revised and such refund made notwithstanding anything to the contrary in any other law."

Amendment
of
section 32
of the
principal
enactment.

11. Section 32 of the principal enactment is hereby amended in subsection (2) of that section, by the addition, at the end of that subsection, of the following:—

"Provided however, that where any such claimant supports his claim to the compensation by a final decree of a competent court or by such evidence as the Commission may consider sufficient, the Chairman of the Commission may cause the compensation to be apportioned and paid according to the terms of that decree or the evidence adduced, notwithstanding the fact that the former owner does not agree in writing as to the persons entitled to the compensation and the apportionment of the compensation among them."

12. Section 35 of the principal enactment is hereby repealed and the following new section substituted therefor :—

Replacement
of section
35 of the
principal
enactment.

“Compensation and interest payable.

35. The compensation payable in respect of any agricultural land vested in the Commission under this Law shall be considered as accruing due from the date on which possession of that land was taken by the Commission after it was vested in the Commission and interest at the rate of ten *per centum* per annum shall be payable on the amount of such compensation from the date it accrues due to the date of payment.”

13. Section 42 of the principal enactment is hereby amended in paragraph (a) of that section by the substitution for the words, “seven *per centum* per annum. , of the words “ten *per centum* per annum from the date on which such land was vested to the date of payment.”

Amendment
of section
42 of the
principal
enactment.

14. Section 42J of the principal enactment is hereby amended as follows :—

Amendment
of section
42J of the
principal
enactment.

(a) by the insertion, immediately after subsection (2) of that section, of the following new subsections :—

‘ (2A) (a) Where on the date of enactment of this subsection, no compensation has been paid in respect of any estate land vested in the Commission under this Part of this Law, the compensation payable in respect of such estate land shall, notwithstanding anything in the preceding provisions of this section, be computed on either of the following basis, according to the election of the person in possession of the estate land on the date immediately preceding the date on which such estate land vested in the Commission—

(i) a sum equal to fifteen times the average annual profits from such estate land for the five accounting years immediately preceding the date on which such estate land vested in the Commission ; or

(ii) (A) in the case of estate land planted with tea, rubber or coconut, a sum calculated on the basis of the average annual yield per acre of such estate land for the three accounting years immediately preceding the date on which such estate land vested in the Com-

mission, so however, that where the average annual yield per acre of such estate land is equal to an amount specified in Column I hereto, the sum payable in respect of each acre of such estate land shall be equal to the sum specified in the corresponding entry in Column II hereto.

<i>Column I</i> Average annual yield per acre	<i>Column II</i> Amount of compensation per acre
	<i>Rs.</i>
<i>Tea</i>	
Over 1,500 lbs. 	2,500
Over 1,000 lbs. but not exceeding 1,500 lbs. 	2,000
Over 750 lbs. but not exceeding 1,000 lbs. 	1,500
750 lbs. and under	1,000
<i>Rubber</i>	
Over 1,000 lbs. 	2,500
Over 750 lbs. but not exceeding 1,000 lbs. 	2,000
Over 500 lbs. but not exceeding 750 lbs. 	1,500
500 lbs. and under	1,000
<i>Coconut</i>	
Over 3,000 nuts 	2,500
Over 2,000 nuts but not exceeding 3,000 nuts 	2,000
2,000 nuts and under	1,500 ; or

(B) in the case of estate land planted with cocoa, cinnamon, pepper, paddy or any other agricultural product, a sum calculated at the rate of Rs. 2,000 for each acre of such estate land in production.

- (b) Where any person is entitled to compensation computed in accordance with sub-paragraph (i) of paragraph (a) of this subsection in respect of any estate land, and such estate land has, within the seven years immediately preceding the date on which such land vested in the Commission, been planted or replanted with any agricultural crop specified in Column I hereto, such person shall be entitled, in addition to the compensation so computed, to the payment of a sum equal to the sum specified in the corresponding entry in Column II hereto for each acre of estate land so planted or replanted.

<i>Column I</i>	<i>Column II</i>
Tea	Rs. 3,000
Rubber	Rs. 2,500
Coconut	Rs. 2,500
Paddy	Rs. 2,000
Cocoa	Rs. 2,000
Cinnamon	Rs. 2,000

In this subsection "annual profits" in relation to an estate land for an accounting year means the aggregate of—

- (i) the profits and income, within the meaning of the Inland Revenue Act, No. 4 of 1963, from such estate land for that year as assessed by an Assessor or as agreed to with an Assessor by the person who was the owner of such estate land on the day immediately preceding the date on which such estate land vested in the Commission (in this definition referred to as "the former owner") or where not assessed or agreed to, as declared to the Assessor in respect of that year by such former owner ; and

- (ii) any sum deducted under—

- (a) paragraph (a) or paragraph (h) or paragraph (i) of subsection (1) of section 10 ; or

- (b) section 53 ; or

- (c) section 53A,

of the Inland Revenue Act, No. 4 of 1963, for the purposes of ascertaining the profits and income, within the meaning of that Act, of the former owner from that estate land for that year.

(c) There shall be deducted from any amount computed in accordance with sub-paragraph (i) of paragraph (a) as the compensation payable in respect of any estate land, every sum paid as subsidy for replanting, factory modernization, tea chests and fertilizer by the Government or any State Corporation in respect of that estate land during the five accounting years immediately preceding the date on which such estate land vested in the Government.

No amount computed in accordance with sub-paragraph (i) of paragraph (a) as the compensation payable in respect of any estate land shall exceed two thousand five hundred rupees for each acre of such estate land.

(2B) Where on the date of enactment of this subsection, no compensation has been paid in respect of any estate land vested in the Commission under this Part of this Law and on the date of vesting there were nett current assets on such estate lands which were taken over by the Commission, the compensation payable under subsection (2A) shall be increased by an amount equal to the book value of such nett current assets.

In this section "nett current assets" shall mean stock in trade, unsold produce, cash, fixed deposits, debts due and any other receivables.

(2c) Nothing in subsections (2A) and (2B) shall apply to the computation of the amount of compensation payable to any company incorporated in the United Kingdom which has not entered into any agreement or negotiated settlement at the date of enactment of this subsection in respect of the amount of compensation payable in respect of such estate land, and compensation in respect of such estate land shall be payable in terms of subsection (2).

(2d) (1) Where any public company receives any amount as compensation computed in accordance with the provisions of subsection (2) or subsection (2A) or subsection (2B) it shall be the duty of such company, notwithstanding anything in the companies Ordinance, or any other law, to distribute

such compensation, after meeting its liabilities as allowed by the Commission, to the share holders of such company within six months from the date of receipt of the compensation or where such compensation is received in instalments, within six months from the receipt of each instalment.

(2) Where the share capital of any such company as is referred to in subsection (1) is divided into different classes of shares the distribution of the compensation shall be in accordance with the rights attached to each class of shares.

(2E) Where a public company which has distributed, in accordance with the provisions of subsection (2D), any amount received by it as compensation resolves that it is not possible in consequence of such distribution, to carry on business, it may apply to the Registrar of Companies to have its name struck off the register of companies.

The Registrar on being satisfied that—

- (a) all the liabilities of such company have been paid,
- (b) the compensation received by the company has been distributed in accordance with subsection (2D), and
- (c) it is not possible for the company to carry on business,

shall, notwithstanding any provision in the Companies Ordinance relating to the winding up or dissolution of companies, strike off the name of that Company from that register.'; and

- (b) by the repeal of subsection (4) of that section and the substitution therefor of the following subsection :—

“(4) The compensation payable, less any deductions that may be made from such compensation under this Part of this Law, shall carry interest, at the rate of ten *per centum* per annum, as from the date on which possession of the estate land in respect to which compensation is payable was taken by the Commission until payment.”.

Amendment
of section 66
of the
principal
enactment.

15. Section 66 of the principal enactment is hereby amended in the definition of the expression "person", by the insertion, immediately after paragraph (b) thereof, of the following new paragraph:—

“(bb) a private trust; or”.

Retrospective
operation of
sections 2(a),
12 and 15.

16. The amendments made to the principal enactment by sections 2(a), 12 and 15 of this Act shall be deemed for all purposes to have come into operation on the date of commencement of the principal enactment.

PART II

SPECIAL PROVISIONS RELATING TO CERTAIN ORDERS AND DETERMINATIONS MADE UNDER THE LAND REFORM LAW

Special
provisions
relating to
certain
orders
made by
the Land
Reform
Commission
under
section 13
of the Land
Reform Law.

17. (1) Where prior to the date of commencement of this Act, the Commission has made an order under subsection (2) of section 13 of the Land Reform Law declaring an alienation of agricultural land to be null and void without affording the alienor and alienee an opportunity of being heard, such order shall be deemed not to have been, or to be, invalid by reason only of the fact that such opportunity was not afforded if—

(a) any compensation has been paid under section 28 of the Land Reform Law in respect of such land; or

(b) such land has been alienated to any person under section 22 of that Law,

prior to the date of commencement of this Act.

(2) Where prior to the date of commencement of this Act, the Minister has made an order under subsection (3) of section 13 of the Land Reform Law declaring an alienation of agricultural land to be null and void without affording the alienor and alienee an opportunity of being heard, such order shall be deemed not to have been, or to be, invalid by reason only of the fact that such opportunity was not afforded if—

(a) any compensation has been paid under section 28 of the Land Reform Law in respect of such land; or

(b) such land has been alienated to any person under section 22 of that Law,

prior to the date of commencement of this Act.

(3) Where prior to the date of commencement of this Act, the Commission has made an order under subsection (2) of section 13 of the Land Reform Law declaring an alienation of agricultural land to be null and void without affording the alienor and alienee an opportunity of being heard, and if on the date of commencement of this Act—

(a) no compensation has been paid under section 28 of the Land Reform Law in respect of that land; and

(b) that land has not been alienated to any person under section 22 of that Law,

such order shall be deemed to have been, and to be, null and void.

(4) Where prior to the date of commencement of this Act, the Minister has made an order under subsection (3) of section 13 of the Land Reform Law declaring an alienation of agricultural land to be null and void without affording the alienor and alienee an opportunity of being heard and if on the date of commencement of this Act—

(a) no compensation has been paid under section 28 of that Law in respect of that land; and

(b) that land has not been alienated to any person under section 22 of that Law,

such order shall be deemed to have been, and to be, null and void.

(5) Where by reason of the operation of the provisions of subsection (3) or subsection (4), an order, as the case may be, of the Commission or of the Minister declaring an alienation of agricultural land to be null and void is deemed under this Part to be null and void, the alienor or alienee shall, within three months of the date of commencement of this Act, report such alienation to the Commission.

(6) Where, upon a report made to it under subsection (5), the Commission finds, after affording the alienor and alienee an opportunity of being heard, that the alienation referred to in such report has been calculated to defeat the purposes of the Land Reform Law the Commission may, by order under its hand, declare such alienation to be null and void. Every such order shall be sent by registered post to the alienor and alienee to whom that order relates.

(7) The provisions of subsections (3), (4), (5) and (6) of section 13 of the Land Reform Law shall, *mutatis mutandis*, apply to every order made by the Commission under subsection (6) of this section.

(8) A failure to comply with the provisions of subsection (5) shall be deemed to be a failure to comply with a provision of the Land Reform Law, and shall be punishable accordingly.

Special provisions relating to certain orders made under section 14 of the Land Reform Law.

18. (1) Any person who was entitled, on the date of commencement of the Land Reform Law, to make an application under section 14 of that Law but has failed to do so within the time specified in subsection (1) of that section may, within three months of the date of commencement of this Act and notwithstanding—

(a) the fact that such person is, at the date of commencement of this Act, not the statutory lessee of the agricultural land of which he was the owner on the day immediately preceding the date of commencement of the Land Reform Law (in this subsection referred to as "the relevant date"), and

(b) anything in the aforesaid section 14,

make an application to the Commission under subsection (1) of that section for the transfer, by way of sale, gift or otherwise of the entirety or a portion of such land to any child of such person who was eighteen years or over on the relevant date or to the parent of such person, as if such person were, on the date of commencement of this Act, the statutory lessee of such land.

(2) The Commission may, upon receipt of an application as aforesaid, make an order under subsection (2) of section 14 of the Land Reform Law granting approval for such transfer, if and only if—

(a) no compensation has been paid under section 28 of the Land Reform Law in respect of the land specified in the application; and

(b) that land has not been alienated to any person under section 22 of that Law,

on the date of commencement of this Act.

(3) Where prior to the date of commencement of this Act, the Commission has made an order under subsection (2) of section 14 refusing to grant approval for the transfer of any agricultural land and the person applying to make such transfer has failed to appeal to the Minister against such order within the period specified in that subsection, such person may, within three months of the date of commencement of this Act and notwithstanding anything in that section, appeal to the Minister against such order.

(4) Where prior to the date of commencement of this Act, a person has appealed to the Minister under subsection (2) of section 14 of the Land Reform Law against an order made by the Commission under that subsection and the Minister has rejected such appeal, such person may, within three months of the date of commencement of this Act and notwithstanding anything in that aforesaid section 14, make a further appeal to the Minister against such order.

(5) The Minister may, on an appeal made to him under subsection (3) or subsection (4) and notwithstanding anything in section 14 of the Land Reform Law, amend, vary or modify the order against which the appeal is made, if and only if—

(a) no compensation has been paid under section 28 of the Land Reform Law in respect of the land which is referred to in the appeal; and

(b) that land has not been alienated to any person, under section 22 of that Law,

on the date of commencement of this Act, and if the Minister considers that such amendment, variation or modification is just and equitable in all the circumstances of the case.

(6) Where—

(a) an order is made by the Commission under section 14 of the Land Reform Law in pursuance of an application made under subsection (1) of that section read with subsection (1) of this section; or

(b) an order made by the Commission under section 14 of that Law is varied, modified or amended by the Minister under subsection (5) of this section,

and the effect of such order, or such order as varied, modified or amended is to grant approval for the transfer by any person (in this subsection referred to as "transferor") of

any agricultural land to a child or parent of the transferor (in this subsection referred to as "the transferee") and such land is on the date of such order or the date on which such order is so varied, modified or amended, vested in the Commission, the Commission shall forthwith transfer such land to the transferee.

(7) Subsections (3) and (4) of section 14 of the Land Reform Law shall, *mutatis mutandis*, apply to every order made by the Commission under section 14 of that Law—

- (a) in pursuance of an application made under that section read with subsection (1) of this section; or
- (b) as varied, modified or amended by the Minister under subsection (5) of this section.

Special provisions relating to certain determinations made under section 19 of the Land Reform Law.

19. (1) Any person dissatisfied with a determination made by the Commission, prior to the commencement of this Act, under section 19 of the Land Reform Law specifying the portion or portions of agricultural land which such person shall be allowed to retain may, within three months of the date of commencement of this Act and notwithstanding anything in the aforesaid section 19, appeal to the Commission against such determination.

(2) Where the Commission is satisfied, on an appeal made to it under subsection (1).—

- (a) that the appellant has been discriminated against as regards the extent of the portion or portions of agricultural land which he has been allowed to retain by the determination made in respect of him under section 19 of the Land Reform Law; or
- (b) that in making such determination, the Commission has not taken into consideration the preferences expressed by the appellant in the declaration made by him under section 18 of that Law,

the Commission may, notwithstanding anything in the aforesaid section 19, cancel the determination made in respect of the appellant under section 19 and make a fresh determination in respect of him under that section, if and only if,—

- (a) no compensation has been paid under section 28 of the Land Reform Law in respect of the entirety of the agricultural land specified as owned by the appellant in the declaration made by him under

section 18 of the Land Reform Law (excluding such part of such land as is specified in the determination made in respect of him under section 19) ; and

- (b) the entirety of such land (excluding such part of such land as is specified in the determination made in respect of him under section 19) has not been alienated to any person under section 22 of that Law,

on the date of commencement of this Act.

(3) Where the Commission cancels, under subsection (2), a determination made under section 19 of the Land Reform Law, such cancellation shall be published in the Gazette, shall come into effect on the date of such publication and shall have the effect of re-vesting in the Commission as from the date of such publication, the right, title and interest in the agricultural land specified in such determination.

(4) Where the Commission cancels a determination made by it under section 19 of the Land Reform Law and makes a fresh determination under that section, such determination shall specify the portion or portions of the agricultural land specified as owned by the applicant in the declaration made by him under section 18 of that Law which he shall be allowed to retain, so however, that the portion or portions so specified shall be from such part of that land as has not been alienated, on the date of commencement of this Act, to any person under section 22 of that Law, or in respect of which no compensation has been paid under section 28 of that Law. A determination may be made as aforesaid notwithstanding the fact that such person is not, on the date of the determination, the statutory lessee of such land and the provisions of sections 19 (1) (b), 19 (2), 20 and 21 of the Land Reform Law shall, *mutatis mutandis*, apply to every such determination.

(5) Notwithstanding anything in this Act or in any other law, it shall not be lawful for any person who becomes in consequence of an order or determination made under section 14 or section 19 or section 22 of the Land Reform Law, the owner of any agricultural land over twenty-five acres in extent, to sell otherwise than under the provisions of the Tea and Rubber Estates (Control of Fragmentation) Act, No. 2 of 1958, or the Estates (Control of Transfer and Acquisition) Act, No. 2 of 1972, such land in a manner that may result in the fragmentation of such land.

Special provision relating to certain alienations under section 22 of the Land Reform Law.

20. Where, prior to the date of commencement of this Act, any steps have been taken by the Commission under paragraph (f) of subsection (1) of section 22 of the Land Reform Law (repealed by this Act) to alienate any agricultural land to any person under the provisions of that paragraph, then, notwithstanding the repeal of that paragraph by this Act an alienation by way of sale to such person may be made as though such paragraph were in force.

Provision regarding certain lands vested under the Land Acquisition Act.

21. (1) Where lands have been acquired under the Land Acquisition Act on or after May 29, 1971 and no compensation has been paid in respect of such lands, on the date of commencement of this Act notwithstanding anything in this Act or any other law, such lands shall be deemed to have been vested in the Commission under the Land Reform Law and accordingly, the owners of such lands shall be entitled to the rights of a statutory lessee under section 14 and section 18 of that law and may, within three months of the date of commencement of this Act, make a statutory declaration to the Commission.

(2) Where it is not practicable for the Commission to make a statutory determination under section 19 of the Land Reform Law in respect of any land vested in the Commission by virtue of subsection (1), specifying the portion or portions of the agricultural land owned by the statutory lessee which he shall be allowed to retain, the Commission shall alienate to such statutory lessee, the maximum extent of agricultural land which may be owned by any person under the Land Reform Law or the extent of the land acquired from such statutory lessee under the Land Acquisition Act, whichever is less.

(3) Where it is not practicable for the Commission to grant approval for the transfer by the statutory lessee of any agricultural land under subsection (2) of section 14 of the Land Reform Law, the Commission shall alienate land to the extent of the land acquired from such statutory lessee under the Land Acquisition Act, to any child or to a parent of such statutory lessee.

(4) Where no compensation has been paid for the lands acquired under the Land Acquisition Act deemed to be vested in the Commission under subsection (1) and where no determination is made under subsection (2) or where no approval is granted under subsection (3), the statutory lessee shall be entitled to receive compensation for such lands under this Act.

22. In this Part of this Act—

Inter-
pretation.

“ the Commission ” means the Land Reform Commission established by the Land Reform Law ; and

“ Land Reform Law ” means the Land Reform Law, No. 1 of 1972, as amended by Law No. 39 of 1975.