



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

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**NATIONAL DEFENCE FUND  
ACT, No. 9 OF 1985**

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**[Certified on 21st March, 1985]**

*Printed on the Orders of Government*

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L. D.—O. 79/84.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A FUND CALLED  
"THE NATIONAL DEFENCE FUND" FOR THE PROVISION OF  
FUNDS FOR NATIONAL DEFENCE; 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 National Defence Fund  
Act, No. 9 of 1985.

Short title.

2. (1) There shall be established a Fund to be called  
"the National Defence Fund" (hereinafter referred to as  
"the Fund").

Establish-  
ment of the  
National  
Defence  
Fund.

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

3. (1) The administration, management and control of  
the Fund shall be vested in a Board of Governors  
constituted as hereinafter provided.

Board of  
Governors  
of the Fund.

(2) The Board of Governors of the Fund (hereinafter  
referred to as "the Board") shall consist of —

(a) the President of the Republic,

(b) the Minister in charge of the subject of national  
security, and

(c) one other member appointed by the President who  
shall, subject to the provisions of subsections (3)  
and (4), hold office for such period as may be  
specified in the letter of appointment issued to him  
by the President.

(3) The President may, in his absolute discretion, revoke  
the appointment of the member appointed by him under  
paragraph (c) of subsection (2).

(4) The member of the Board appointed under paragraph  
(c) of subsection (2) may at any time resign from the  
Board, by a letter in that behalf, addressed to the  
President.

Board to regulate its procedure with regard to meetings &c.

Proceedings of the Board not to be invalidated due to any vacancy, &c.

President to be Chairman.

Power of the Fund.

National Defence Fund Account.

Purpose for which the moneys of the Fund may be applied.

4. The Board may regulate the procedure in regard to its meetings and the transaction of business at such meetings.

5. No act or proceeding of the Board shall be deemed to be invalid by reason only of the existence of a vacancy among its members or any defect in the appointment of a member thereof.

6. The President shall be the Chairman of the Board.

7. The Board shall, in the name of the Fund, have the power to —

- (a) acquire, hold or manage property, whether movable or immovable;
- (b) sell, mortgage, exchange or otherwise dispose of, or deal with any property, whether movable or immovable, to which the Fund may become entitled;
- (c) perform all such acts or things as may be necessary to give effect to the provisions of this Act.

8. The Board shall maintain an account called "the National Defence Fund Account" at the Central Bank and there shall be credited to such account—

- (a) all moneys paid into the President's Fund, prior to the date of commencement of this Act, for the purpose of national security; and
- (b) all moneys that may accrue to the Fund, after the date of commencement of this Act.

In this section, "President's Fund" means the President's Fund established by the President's Fund Act, No. 7 of 1978.

9. It shall be the duty of the Board to apply, subject to the directions of the President, the moneys belonging to the Fund in such manner, and for such purposes, as it may consider best calculated to promote and ensure national defence, including the payment of any benefit to the families of members of the police force or of the armed forces, who have been injured or who have died in the course of performing their official duties.

10. Any moneys belonging to the Fund may be invested by the Board in such manner as the Board may determine, subject to such directions as may be given by the President.

Investment of moneys of the Fund.

11. (1) The Board shall have the power, subject to the directions of the President —

Officers and servants of the Fund and delegation of powers, duties and functions of the Board.

(a) to appoint such officers and servants of the Fund as may be necessary for the administration and management of the affairs of the Fund ;

(b) to determine the remuneration payable to the officers and servants so appointed ; and

(c) to pay such remuneration and other expenses incurred in the administration of the affairs of the Fund, out of the income of the Fund.

(2) The Board may delegate any of its powers, duties and functions under this Act to any officer of the Board.

(3) The Board, shall, notwithstanding any delegation made under subsection (2) have the power to exercise, perform and discharge the powers, duties and functions so delegated.

12. (1) The Board shall, cause proper accounts to be kept of the income and expenditure, assets and liabilities, and all other transactions of the Fund.

Audit and Accounts.

(2) The Auditor-General shall audit the accounts of the Fund every year. For the purpose of assisting him in the audit of such accounts, the Auditor-General may employ the services of a qualified auditor who shall act under his directions and control.

(3) For the purpose of meeting the expenses incurred by him in the audit of the accounts of the Fund, the Auditor-General shall be paid out of the income of the Fund, such remuneration as the Board may determine. Any remuneration received from the Fund by the Auditor-General shall, after the deduction therefrom of any sums paid by him to any qualified auditor or auditors employed by him for the purpose of conducting such audit, be credited to the Consolidated Fund.

(4) The Auditor-General shall, as soon as practicable after the thirty-first day of December of each year, prepare a report on the administration of the affairs of the Fund, during that year, together with a statement of the income and expenditure of the Fund and of the investment of the moneys belonging to the Fund during that year.

(5) In this section, the expression "qualified auditor" means —

(a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practise as an Accountant, issued by the Council of such institute, or

(b) a firm of Chartered Accountants each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practise as an Accountant issued by the Council of such Institute.

Auditor-General's statement and report to be placed before Parliament.

13. The Auditor-General shall transmit the report prepared by him in pursuance of section 12 to the Minister in charge of the subject of national security, who shall cause such report and statement to be placed before Parliament.

Powers of Board to make rules.

14. The Board may make such rules as it may consider necessary in relation to any matter affecting or connected with, or incidental to, the exercise and performance of its powers, duties and functions.

Officers and servants of the Fund deemed to be public servants within the meaning of the Penal Code.

15. All officers and servants of the Fund shall be deemed to be public servants within the meaning, and for the purposes, of the Penal Code.



16. 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.

The Board deemed to be a scheduled institution within the meaning of the Bribery Act.

17. In this Act, unless the context otherwise requires—  
“Central Bank” means the Central Bank of Ceylon established by the Monetary Law Act;

Interpretation.

“national defence” includes internal security.

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