



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

**INSTITUTE OF CHARTERED SHIPBROKERS
OF SRI LANKA (INCORPORATION)
ACT, No. 34 OF 2024**

[Certified on 19th of June, 2024]

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*Institute of Chartered Shipbrokers of Sri Lanka
(Incorporation) Act, No. 34 of 2024*

[Certified on 19th of June, 2024]

L.D.—O. (Inc.) 1/2022

AN ACT TO INCORPORATE THE INSTITUTE OF CHARTERED SHIPBROKERS
OF SRI LANKA

WHEREAS an Institute called and known as the “Institute of Chartered Shipbrokers of Sri Lanka” has heretofore been established in Sri Lanka for the purpose of effectually carrying out its objects and transacting all matters connected with the said Institute according to the rules agreed to by its members:

Preamble

AND WHEREAS the said Institute has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application:

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

1. This Act may be cited as the Institute of Chartered Shipbrokers of Sri Lanka (Incorporation) Act, No. 34 of 2024.

Short title

2. From and after the date of commencement of this Act, such and so many persons as now are members of the Institute of Chartered Shipbrokers of Sri Lanka (hereinafter referred to as the “Institute”) and shall hereafter be admitted as members of the body corporate hereby constituted, shall have perpetual succession under the name and style of the “Institute of Chartered Shipbrokers of Sri Lanka” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure.

Incorporation of
the Institute of
Chartered
Shipbrokers of
Sri Lanka

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General objects
of the body
corporate

3. (1) The general objects for which the body corporate is constituted are hereby declared to be-

- (a) to promote professionalism in the shipping arena among the members of the body corporate by providing them training opportunities in the shipping business;
- (b) to create awareness among persons involved in the ship broking business, of the advantage of employing well-educated staff having a proper understanding of the shipping business, in such field;
- (c) to hold seminars and workshops for the benefit of those employed in the ship broking business;
- (d) to provide study courses relevant to the qualifying examinations for membership of the body corporate;
- (e) to promote understanding and co-operation with institutions having objects similar to those of the body corporate within and outside Sri Lanka; and
- (f) to assist the relevant authorities with the consent of such authorities—
 - (i) to provide training in accordance with accepted principles of the shipping business to persons who desire to pursue a career in such business;
 - (ii) to conduct or provide to conduct courses of study and hold examinations in collaboration with recognized educational institutions in the field of shipping business; and
 - (iii) to undertake, promote and facilitate studies in the field of shipping business,

subject to any applicable written law, to the extent permitted by such law.

(2) In the implementation of the objects specified in subsection (1), the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, gender, political opinion, place of birth or such other grounds.

4. The objects of the body corporate shall be carried out in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government, or of any Provincial Council, Local Authority or public corporation.

Body corporate to ensure no conflict with work of Ministry or Department of the Government, or Provincial Council, Local Authority or public corporation

5. (1) Subject to the provisions of this Act, and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by a Board of Management (hereinafter referred to as the “Board”) consisting of such number of office bearers as may be specified by the rules made under section 7.

Management of the affairs of the body corporate

(2) (a) The Board of the Institute holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b), function as an Interim Board of the body corporate until the first Board is appointed or elected in the manner provided for by rules made under section 7.

(b) Subject to the provisions of section 7, the Interim Board shall have the power to make rules for the interim administration of the body corporate, not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Board shall be taken by the majority of its members present at such meeting.

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(d) The first Board of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

(3) (a) Every office bearer of the Board including the patrons and advisers shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Board shall, having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

(c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

Powers of the
body corporate

6. Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute all such acts and matters as are necessary or desirable for the promotion or furtherance of the objects of the body corporate or any one of them, including the power-

- (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings, which may be required for the purposes of the body corporate and to deal with or dispose of the same as may be determined by the Board with a view to promoting the objects of the body corporate;
- (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;

- (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations in cash or kind for the attainment of the objects of the body corporate:

Provided that, the Board shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate;

- (d) to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;
- (e) to invest any funds that are not immediately required for the purposes of the body corporate, in such manner as the Board may determine;
- (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to those of the body corporate or any real or personal property with a view to promoting the objects of the body corporate;
- (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries, allowances and gratuities as may be determined by the body corporate in terms of the rules made under section 7 of the Act;
- (h) to determine and levy fees, subscriptions and contributions in respect of membership and admission to membership of the body corporate;

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- (i) to determine and levy fees, in respect of admission to courses of study and examinations conducted by or on behalf of the body corporate in accordance with the consent of relevant authorities;
- (j) to compile a Code of Ethics to be followed by the members of the body corporate and secure adherence thereto by such members;
- (k) to organize and conduct conferences, seminars, forums, workshops and meetings relating to shipping business in Sri Lanka and abroad with a view to promoting the objectives of the body corporate;
- (l) to establish, promote, foster and maintain good relations with other local and foreign institutions having objects similar to those of the body corporate;
- (m) to train officers and servants in Sri Lanka or abroad for the purposes of the body corporate;
- (n) to assess the eligibility of candidates for admission to various grades of membership; and
- (o) generally, to do all such acts and things authorized by this Act for the achievement of the objects of the body corporate.

Rules of the
body corporate

7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, to make rules, not inconsistent with the provisions of this Act or any other written law, for all or any of the following matters:-

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by the members and maintenance of a register of members;
- (b) the election of office bearers of the Board or vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- (c) the terms and conditions of appointment, powers, functions and duties of various officers, agents and servants of the body corporate;
- (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Board, or any sub-committee thereof, notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the Board and the body corporate; and
- (f) generally, the management of the affairs of the body corporate and the accomplishment of its' objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) shall be published in the *Gazette* and shall come into effect on the date thereof.

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(4) Every rule made by the body corporate shall, within three months after its publication in the *Gazette* be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subject to the rules of the body corporate.

Register of
members

8. The Board shall maintain a register of members in which name, address and other essential details of the members shall be inscribed.

Fund of the
body corporate

9. (1) The body corporate shall have its own Fund.

(2) All moneys received by way of gifts, bequests, subscriptions, contributions, fees or grants for and on account of the body corporate shall be deposited in one or more banks approved by the Board to the credit of the body corporate, subject to the provisions of paragraph (c) of section 6.

(3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of the powers, duties and functions under the Act.

Accounts and
Auditing

10. (1) The financial year of the body corporate shall be the calendar year.

(2) The body corporate shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by a qualified auditor and be certified by such qualified auditor.

(4) For the purposes of this section, “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 practice as an Accountant, issued by the Council of such Institute; or
- (b) a firm of 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 practice as an Accountant, issued by the Council of such Institute.

11. (1) The Board shall prepare a report of the activities of the body corporate for each financial year and submit such report together with the audited statement of accounts certified by a qualified auditor to the Secretary to the Ministry of the Minister assigned the subject of Ports and Shipping, and to the Registrar of Voluntary Social Services Organization appointed under the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates. Annual Report

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate, during the financial year shall be attached to the report referred to in subsection (1).

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Debts due by
and payable to
the Institute

12. All debts and liabilities of the Institute existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Institute on that day shall be paid to the body corporate for the purposes of this Act.

Body corporate
may hold
property
movable and
immovable

13. Subject to the provisions of this Act and any other written law, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange, or otherwise dispose of the same.

Application of
moneys and
property

14. The moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

Seal of the body
corporate

15. (1) The seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Board who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as a witness.

(2) The seal of the body corporate shall be in the custody of an office bearer of the Board as may be decided by the Board.

16. For the purpose of discharging the debts and liabilities of the body corporate or for any other purpose, a member of the body corporate shall not be liable to make any contribution exceeding the amount of such subscription as may be due from such person to the body corporate.

Limitation of
liability of
members

17. (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities, any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members.

Property
remaining on
dissolution

(2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate with the approval of the Secretary to the Ministry of the Minister assigned the subject of Ports and Shipping and the Registrar of the Voluntary Social Services Organization appointed under the Voluntary Social Services Organization (Registration and Supervision) Act, No. 31 of 1980, immediately before the dissolution at a general meeting by the majority of votes of the members present.

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

“bank” means a bank licensed under the provisions of the Banking Act, No. 30 of 1988;

“shipbroking business” means a professional service carried out by companies and individuals in the industry of shipping business;

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“shipping business” includes ship sale and purchase, ship management, dry cargo chartering, tanker chartering, port agency, liner trades, logistics and multimodal transport, port and terminal management, ship finance, shipping law, insurance, bunkering and ship classification;

“law” shall have the same meaning assigned to such expression in the Constitution;

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

“public corporation” means any corporation, board or other body which was or is established by or under any written law other than the Companies Act, No. 07 of 2007, with funds or capital wholly or partly provided by the Government by way of grant, loan or otherwise; and

“written law” means any law and subordinate legislation including statutes made by a Provincial Council and regulations made under such statutes, Orders, Proclamations, Rules, By-Laws and Regulations made or issued by any body or person having power or authority under any law to make or issue the same.

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- 19.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.
- Saving of the rights of the Republic and others
- 20.** 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

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