



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

TRUST RECEIPTS (AMENDMENT)
ACT, No. 13 OF 1990

[Certified on 6th March, 1990]

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Trust Receipts (Amendment) Act, No. 13 of 1990
[Certified on 6th March, 1990]

L.D.—O. 6/89 II.

AN ACT TO AMEND THE TRUST RECEIPTS ORDINANCE

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

1. This Act may be cited as the Trust Receipts (Amendment) Act, No. 13 of 1990.

Short title.

2. Section 2 of the Trust Receipts Ordinance (hereinafter referred to as the "principal enactment") is hereby amended in subsection (2) of that section, as follows:—

Amendment
of section
2 of
Chapter 86.

(1) by the substitution in paragraph (v) of that subsection, for the words "as may be in the premises.", of the words "as may be in the premises"; and

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

"(vi) an undertaking to insure those goods against all insurable risks to their full insurable value on a reinstatement basis in the name of the agency and in the case of loss, to pay the insurance moneys to the agency in the same manner as the proceeds of sale.".

3. Section 3 of the principal enactment is hereby amended in subsection (2) of that section, as follows:—

Amendment
of section
3 of the
principal
enactment.

(1) by the substitution in paragraph (v) of that subsection, for the words "as may be in the premises.", of the words "as may be in the psemises; and";

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

"(vi) an undertaking to insure those goods until the exportation thereof, against all insurable risks to their full insurable value on a reinstatement basis in the name of the agency and in the case of loss, to pay the insurance moneys to the agency in the same manner as the proceeds of sale.".

4. Section 4 of the principal enactment is hereby amended in subsection (1) of that section by the repeal of paragraph (iv) of that subsection, and the substitution therefor, of the following paragraph:—

Amendment
of section
4 of the
principal
enactment.

"(iv) The person by whom the trust receipt was executed shall, if he commits a breach or fails to comply with any undertaking referred to in subsection (2) or subsection (3) of section 2, or in subsection (2) of section 3, as the case may be, being an undertaking contained in the trust receipt, be guilty of an offence and shall on conviction after summary

trial before a Magistrate be liable to imprisonment of either description for a term not exceeding three years or to a fine not less than the amount of the money stated in the trust receipt to be due or to become payable thereunder to the agency and not exceeding three times that amount.”.

Insertion
of new
section
4A in the
principal
enactment

5. The following new section is hereby inserted immediately after section 4, and shall have effect as section 4A of the principal enactment:—

“Offences by bodies of persons.— 4A. Where an offence under this Act is committed by a body of persons, then—

(a) if that body of persons is a body corporate, every director and manager or secretary of that body corporate;

(b) if that body of persons is a firm, every partner of that firm; and

(c) if that body of persons is an unincorporate body, every individual who is a member of such body,

shall be deemed to be guilty of that offence:

Provided that a director or an officer of such body corporate or a partner of such firm shall not be deemed to be guilty of such offence if he proves that such offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.”.

Replace-
ment of
section 5
of the prin-
cipal enact-
ment.

6. Section 5 of the principal enactment is hereby repealed and the following section substituted therefor:—

‘Approved credit agencies.’ 5. (1) In this Ordinance “approved credit agency” means—

(a) a licensed commercial bank within the meaning of the Banking Act, No. 30 of 1988;

(b) the National Development Bank of Sri Lanka established by the National Development Bank of Sri Lanka Act, No. 2 of 1979;

(c) the State Mortgage and Investment Bank established by the State Mortgage and Investment Bank Law, No. 13 of 1975;

(d) the Development Finance Corporation of Ceylon established by the Development Finance Corporation of Ceylon Act (Chapter 165);

(e) any company, or any co-operative society in respect of whom an Order has been made under section 6.

(2) Nothing in this Ordinance shall be deemed or construed to authorize any institution mentioned in paragraphs (b), (c) and (d) of subsection (1) to make loans or afford any credit facilities in consideration of the execution of trust receipts, if the power to make such loans or to afford such facilities is not conferred on such institution by the Ordinance providing for the establishment, powers and functions of such institution.'

7. The following new section is hereby added immediately after section 5 of the principal enactment :—

"Powers of
the Director
of Commerce.

6. The Director of Commerce may, where he considers it appropriate to do so in the interest of national economy, by Order published in the *Gazette* declare that the provisions of this Act shall apply to any company registered under the Companies Act, No. 17 of 1982 or any co-operative society registered under the Co-operative Societies Law, No. 5 of 1972 which in his opinion is of sufficient financial stability and standing for the purpose of this Act, and not referred to in paragraph (a) or paragraph (b) or paragraph (c) or paragraph (d) of subsection (i) of section 5."

Addition of
new section
in the
principal
enactment.

8. 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
inconsis-
tency.