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1st Session 1965-66



Ceylon Petroleum (Foreign Claims) Compensation Act, No. 19 of 1965

Date of Assent : December 18, 1965

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*Ceylon Petroleum (Foreign Claims) Compensation
Act, No. 19 of 1965*

L.D.—O. 13/65.

AN ACT TO GIVE EFFECT TO AGREEMENTS ENTERED INTO BETWEEN THE GOVERNMENT AND FOREIGN-OWNED PETROLEUM COMPANIES AS REGARDS THE COMPENSATION TO BE PAID TO SUCH COMPANIES FOR CERTAIN ASSETS OF SUCH COMPANIES WHICH WERE VESTED IN, OR REQUISITIONED FOR, THE CEYLON PETROLEUM CORPORATION UNDER THE PROVISIONS OF THE CEYLON PETROLEUM CORPORATION ACT, AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[Date of Assent : December 18, 1965]

WHEREAS, under the provisions of the Ceylon Petroleum Corporation Act, certain assets of foreign-owned petroleum companies were vested in, or requisitioned for, the Ceylon Petroleum Corporation :

Now therefore be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows :—

1. This Act may be cited as the Ceylon Petroleum (Foreign Claims) Compensation Act, No. 19 of 1965.

Short title.

2. (1) Each petroleum compensation agreement to which this Act applies shall be deemed, at all times, to have been, and to be, duly entered into, notwithstanding anything to the contrary in the provisions of any written law (other than this Act), and accordingly—

The bringing into effect of petroleum compensation agreements to which this Act applies.

(a) the Minister of Finance, or any person authorized by such Minister in that behalf, shall be deemed, at all times, to have had, and to have, power and authority, on behalf of the Government, to have signed such agreement and all documents connected therewith, and to have done and to do all such acts or things as may have been and may be necessary for the purpose of entering into and implementing such agreement ;

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- (b) the Ceylon Petroleum Corporation, or the Chairman of such Corporation or any of its officers or servants, shall be deemed, at all times, to have had, and to have, power and authority, on behalf of such Corporation, to have done and to do all such acts or things as may have been and may be necessary for that purpose, and in particular, but without prejudice to the generality of the preceding provisions of this paragraph, to have paid and to pay out of the funds of such Corporation all such sums of money as are paid or caused to be paid in the implementation of such agreement ;
- (c) the Compensation Tribunal established or constituted under the provisions of the Ceylon Petroleum Corporation Act shall be deemed, at all times, not to have had, and not to have, any power or authority or jurisdiction to hear or determine any claim for compensation in respect of any assets which are a subject-matter of such agreement, and any such claim shall be deemed, for all purposes, to have abated on the relevant date ;
- (d) it shall be deemed, at all times, to have been, and to be, the duty of the Chairman or Secretary of the Compensation Tribunal, on being requested so to do by or on behalf of the Ceylon Petroleum Corporation, to have returned, and to return, to such Corporation all instruments or documents in the custody of the Compensation Tribunal relating to any assets which are a subject-matter of such agreement ;

- (e) such agreement shall be deemed, on and after the relevant date, to have been, and to be, binding on the Government, the Ceylon Petroleum Corporation and the foreign-owned petroleum company which is a party to such agreement in regard to all matters in respect of which provision is made in such agreement ;
 - (f) any right, title or interest of such foreign-owned petroleum company in or over any of the assets which are a subject-matter of such agreement shall be deemed, on and after that date, to have been transferred to and vested in such Corporation ; and
 - (g) the full implementation of such agreement by the Government and the Ceylon Petroleum Corporation shall be deemed, on and after that date, to have constituted and to constitute, a full and final settlement of all matters in regard to which provision is made in such agreement.
- (2) The Minister of Finance may, by general or special Order published in the *Gazette*, make such provision as may be necessary for the purpose of fully implementing each petroleum compensation agreement to which this Act applies including in particular, but without prejudice to the generality of the preceding provisions of this sub-section, provision that such Order shall have effect in respect of periods prior to the date of the commencement of this Act.
- (3) Every Order made under the preceding provisions of this section shall come into force on the date of its publication in the *Gazette* and shall, as soon as convenient after such publication,

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be brought before the House of Representatives for approval. Any such Order which is so approved shall have the force and effect of law in Ceylon, and accordingly shall be as valid and effectual as though it were herein enacted. Any such Order which is not so approved shall be deemed to be revoked with effect from the date of its disapproval but without prejudice to the validity of anything previously done thereunder.

Payment of certain sums may be a charge on the Consolidated Fund of Ceylon.

3. All sums payable by the Government under any petroleum compensation agreement to which this Act applies are, unless otherwise directed by the Minister of Finance by an Order under the preceding provisions of this Act to be paid by the Ceylon Petroleum Corporation and so paid by the said Corporation, hereby charged on the Consolidated Fund of Ceylon.

This Act and each petroleum compensation agreement to which this Act applies to prevail over other written law.

4. In the event of any conflict or inconsistency between the provisions of this Act and of any petroleum compensation agreement to which this Act applies on the one hand, and the provisions of any other written law on the other hand, the first-mentioned provisions shall prevail over the provisions of such other written law, and accordingly the provisions of such other written law shall be read and construed subject to such first-mentioned provisions :

Provided, however, that the principle of fair market value in determining the compensation due shall apply only to the petroleum compensation agreements to which this Act applies.

Interpretation.

5. In this Act unless the context otherwise requires—

“assets” mean any immovable property within the meaning of the Ceylon Petroleum Corporation Act, and include any movable property ;

“Ceylon Petroleum Corporation” means the Ceylon Petroleum Corporation established under the Ceylon Petroleum Corporation Act ;

“Ceylon Petroleum Corporation Act” means the Ceylon Petroleum Corporation Act, No. 28 of 1961, as amended by the Ceylon Petroleum Corporation (Amendment) Act, No. 5 of 1963, and by any subsequent Act ;

“Compensation Tribunal” means the Compensation Tribunal established or constituted under the Ceylon Petroleum Corporation Act ;

“foreign-owned petroleum companies” mean—

(a) the Company commonly known as “Shell”, that is to say, The Shell Company of Ceylon, Limited, incorporated under the laws of England whose registered office is at Shell Centre, London, S.E. 1, in the United Kingdom ;

(b) the Company commonly known as “Esso”, that is to say, Esso Standard Eastern Inc., incorporated under the laws of the State of Delaware, United States of America, and having an office at 15, West 51st Street, New York, United States of America, and a registered office in Ceylon at the State Bank Building, Baillie Street, Colombo ; and

(c) the Company commonly known as “Caltex”, that is to say, Caltex Ceylon Limited incorporated under the law of Ceylon whose registered office is at 25, Galle Face Court, Colombo, Ceylon ;

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“ petroleum compensation agreements to which this Act applies ” mean the compensation agreements entered into between the Minister of Finance, on behalf of the Government, and the foreign-owned petroleum companies on the twenty-second day of June, Nineteen hundred and Sixty-five and copies of which have been tabled in the Senate and the House of Representatives ; and the expression “ petroleum compensation agreement ” shall be construed accordingly ;

“ relevant date ” means the twenty-second day of June, Nineteen hundred and Sixty-five.