



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

NATIONAL CRAFTS COUNCIL AND
ALLIED INSTITUTIONS
ACT, No. 35 OF 1982

[Certified on 12th October, 1982]

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National Crafts Council and Allied Institutions

Act, No. 35 of 1982

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L. D.—O. 68/80

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE NATIONAL CRAFTS COUNCIL, CRAFTS COUNCILS, THE SRI LANKA HANDICRAFTS BOARD AND THE NATIONAL DESIGN CENTRE FOR THE PURPOSE OF THE PROMOTION, DEVELOPMENT AND FOSTERING OF HANDICRAFTS INCLUDING TRADITIONAL HANDICRAFTS AND FOR THE IMPROVEMENT OF THEIR QUALITY AND 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 Crafts Council and Allied Institutions Act, No. 35 of 1982, and shall come into operation on such date as the Minister may, from time to time, appoint by Order published in the *Gazette*. Different dates may be appointed by the Minister for the coming into operation of different Parts of this Act.

Short title
and date of
operation.

PART I

2. (1) There shall be established a National Crafts Council (hereinafter in this Part referred to as the "Council").

Establish-
ment
of the
National
Crafts
Council.

(2) The Council 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 Council shall consist of the following members who shall be appointed by the Minister—

Constitution
of the
Council.

(i) a total number of persons not exceeding five to represent crafts councils appointed under section 25 or any craft or crafts;

(ii) three persons who in the opinion of the Minister are specially qualified in relation to the work of the Council;

(iii) the Secretary to the Ministry of the Minister in charge of the subject of Rural Industrial Development or his representative nominated by the Secretary;

(iv) one person nominated by the Minister in charge of the subject of Trade;

(v) one person nominated by the Minister in charge of the subject of Cultural Affairs;

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- (vi) the Chairman of the Sri Lanka Handicrafts Board;
- (vii) the Chairman of the National Design Centre;
- (viii) the Director of the Department of Small Industries;
- and
- (ix) the Director of the Ceylon Institute for Scientific and Industrial Research or his representative nominated by the Director.

(2) The Minister shall appoint one of the members to be the Chairman of the Council.

Disqualification from membership.

4. A person shall be disqualified from being appointed or continuing as a member of the Council—

- (a) if he is or becomes a Member of Parliament; or
- (b) if he has any such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Council.

Term of office of members of the Council.

5. (1) Every appointed member shall, unless he vacates office earlier by death, resignation or removal, hold office for a term of three years and shall be eligible for reappointment.

(2) In the event of the death of or the vacation of office by any member of the Council or his removal from office, the Minister may appoint another person in like manner as such member was appointed in accordance with the provisions of section 3. Any person appointed in place of such member shall hold office during the unexpired part of the term of office of the member whom he succeeds.

(3) If any member of the Council is temporarily unable to perform the duties of his office during any period due to ill health or absence from Sri Lanka or for any other cause, the Minister may appoint some other person to act in his place during such period in like manner as such member was appointed in accordance with the provisions of section 3.

The seal of the Council.

6. (1) The seal of the Council shall be in the custody of the Council.

(2) The seal of the Council may be altered in such manner as may be determined by the Council.

(3) The seal of the Council shall not be affixed to any instrument or document except in the presence of two members of the Council both of whom shall sign the instrument in token of their presence.

7. (1) The Minister may, if he considers it expedient to do so, remove any member of the Council appointed under section 3 without reasons stated.

Removal of members of the Council.

(2) The removal of any member under subsection (1) shall not be called in question in any court.

8. Any member of the Council may at any time resign his office by letter in that behalf addressed to the Minister.

Resignation of members of the Council.

9. The members of the Council shall not be paid any remuneration but shall be reimbursed by the Council for such travelling, hotel and incidental expenses as they may incur for the purpose of attending meetings of the Council or for such other purpose connected with the activities of the Council.

Reimbursement of expenses of members of the Council.

10. (1) The Council shall meet at least once in every three months.

Meetings of the Council.

(2) The Chairman of the Council shall, if present, preside at all meetings of the Council. In the absence of the Chairman from any such meeting the members present shall elect one of the members to preside at such meetings.

(3) Subject to the other provisions of this Part, the procedure to be followed in regard to the transaction of business at meetings of the Council shall be as prescribed.

11. No act, decision or proceeding of the Council shall be deemed to be invalid by reason only of the existence of any vacancy in the Council or defect in the appointment of any member of the Council.

Acts not invalidated by reason of vacancy or defect in the appointment of members.

12. (1) The Minister may, on the recommendation of the Council, appoint such Standing Committees as he may deem necessary to assist in the performance of its functions and may appoint such persons (whether connected with the Council or not), as he may deem fit to be members of such Committees.

Standing Committees.

(2) The Minister shall appoint one of the members of a Standing Committee appointed under subsection (1) to be the Chairman of such Committee. The Chairman so appointed shall be the convener of that Committee.

(3) Every Standing Committee established under subsection (1) shall determine the quorum for the meetings of such Committee.

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on 10.6.1982

**Delegation
of powers.**

Delegation
of power to
Standing Com
mittee

Secretary
to inform
the members
of the
Council

Powers of
the Council
in regard to
the staff.

Appointment
of public
officers &c.,
to the
staff.

(4) The procedure to be followed at such meetings shall be as prescribed.

(1) The Council may delegate to a Standing Committee any of its powers and functions.

(2) A Standing Committee shall exercise and perform the powers and functions as delegated subject to the general or special directions of the Council.

(14) The Council shall, with the approval of the Minister, appoint a competent and experienced person as the Secretary of such Council.

(15) Subject to the other provisions of this Part the Council may—

(a) appoint, dismiss and exercise disciplinary control over the staff of the Council;

(b) fix the wages or the salaries or other remuneration of the staff;

(c) determine the terms and conditions of service of such staff; and

(d) establish and regulate a provident fund and schemes for the benefit of such staff and make contributions to such fund or schemes.

(16) (1) At the request of the Council, any officer in the public service may, with the consent of the officer and the Secretary to the Ministry in charge of the subject of Public Administration, be temporarily appointed to the staff of the Council for such period as may be determined by the Council with like consent or with like consent be permanently appointed to such staff.

(2) Where any officer in the public service is temporarily appointed to the staff of the Council, the provisions of subsection (2) of section 13 of the Transport Board Law, No. 19 of 1978, shall apply, *mutatis mutandis*, to and in relation to him.

(3) Where any officer in the public service is permanently appointed to the staff of the Council, the provisions of subsection (3) of section 13 of the Transport Board Law, No. 19 of 1978, shall apply, *mutatis mutandis*, to and in relation to him.

(4) Where the Council employs any person who has agreed to serve the Government for a specified period, any period of service to the Council by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such agreement.

(5) At the request of the Council any member of the Local Government Service or any officer or servant of a local authority may, with the consent of such member, officer or servant and the Local Government Service Advisory Board or the local authority, as the case may be, be temporarily appointed to the staff of the Council for such period as may be determined by the Council with like consent or with like consent be permanently appointed to such staff on such terms and conditions including those relating to pension or provident fund rights as may be agreed upon by the Council and the Local Government Service Advisory Board or that local authority.

(6) At the request of the Council any officer or servant of a public corporation may, with the consent of such officer or servant and the public corporation, be temporarily appointed to the staff of the Council for such period as may be determined by the Council with like consent or with like consent be permanently appointed to such staff on such terms and conditions including those relating to pension or provident fund rights as may be agreed upon by the Council and the said public corporation.

(7) Where any person is temporarily appointed to the staff of the Council in pursuance of subsections (5) and (6) such person shall be subject to the same disciplinary control as any other member of such staff.

17. The powers and functions of the Council shall be to—

- (a) hold exhibitions both in Sri Lanka and abroad;
- (b) improve the quality of the raw materials used for the production of handicrafts and of the finished products;
- (c) institute and award prizes, medals and scholarships for the study of handicrafts;
- (d) provide financial and any other assistance with the approval of the Minister to Crafts Councils or other institutions or organizations engaged in design production or sale of handicrafts;

Powers and
functions
of the
Council

- (e) provide for the training of craftsmen and advise on all training programmes for craftsmen, apprentices and employees who are in charge of training institutions connected with craftsmen;
- (f) institute schemes for the welfare of craftsmen;
- (g) institute international exchange programmes for craftsmen;
- (h) organize workshops, seminars and conferences at traditional, national and international level to improve the standards and skills of craftsmen;
- (i) provide for the dissemination of information and knowledge relating to crafts; and
- (j) advise on the preservation of handicrafts of traditional, national or cultural value and set up crafts museums or galleries for the purpose of preserving such handicrafts.

Fund of the Council

18. (1) The Council shall have its own fund. There shall be credited to the Fund of the Council—

- (a) all sums of money as may be voted from time to time by Parliament for the use of the Council;
- (b) all sums of money as may be received by the Council by way of donations, gifts or grants from any source whatsoever, whether in or outside Sri Lanka;
- (c) all sums of money as may be transferred to the Council according to law by any Government department, public corporation or other institution; and
- (d) the proceeds of all cess imposed under this Part on the export of handicrafts.

(2) There shall be paid out of the Fund of the Council all such sums of money as may be required to defray any expenditure incurred by the Council in the exercise, performance and discharge of its powers, duties and functions.

Levy of cess on export of handicrafts.

19. (1) There shall be charged, levied and paid a cess at such rates as may be determined by the Minister from time to time, with the concurrence of the Minister in charge of the subject of Finance and the Minister in charge of the subject of Trade, by Order published in the *Gazette*, on the export of handicrafts specified in the Order.

(2) The amount of cess imposed under subsection (1) may be varied or rescinded by a like Order.

(3) Every Order made by the Minister under this section shall come into force on the date of its publication in the Gazette or on such later date as may be specified therein, and shall be brought before Parliament for approval within four months of the date of its publication. Any such Order which is not so approved shall be deemed to be revoked as from the date of its disapproval but without prejudice to the validity of anything previously done thereunder.

(4) This section shall have effect as though it formed part of the Customs Ordinance, and the provisions of that Ordinance shall apply accordingly.

(5) The proceeds of the cess recovered under this section shall be paid monthly by the Principal Collector of Customs to the credit of the Fund of the Council.

(6) The cess imposed under this section shall be in addition to any export duty or any other cess levied under any other written law.

20. (1) The financial year of the Council shall be the calendar year.

Financial
year
and audit of
accounts
of the
Council.

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

(3) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of the accounts of the Council.

21. All officers and servants of the Council shall be deemed to be public servants within the meaning and for the purpose of the Penal Code.

Officers and
servants of
the Council
deemed to be
public
servants.

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

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Returns and information.

23. (1) For the purpose of enabling the Council to perform and discharge any of its powers, duties and functions under this Part, the Council or any person authorized in that behalf by the Council may, by notice in writing, require any person to furnish to the Council or to the person authorized within such period as shall be specified in the notice, all such returns and information as shall be specified in such notice.

(2) It shall be the duty of any person who is required to furnish any return or information by a notice under subsection (1) to comply with such requirement within such time specified in such notice, except where such person is precluded from making such return or divulging such information under the provisions of any law.

Regulations.

24. (1) The Minister may make regulations in respect of matters required by this Part to be prescribed.

(2) Every regulation made by the Minister shall be published in the Gazette and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

(3) Every regulation shall, as soon as it is convenient after publication in the Gazette, be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval but without prejudice to anything previously done thereunder.

(4) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the Gazette.

Constitution
of Crafts
Councils.

25. (1) The Minister may, by Order published in the Gazette, appoint one or more than one Crafts Council (hereinafter referred to as "a Council") in respect of a craft or a group of crafts as may be specified in that Order.

(2) A Council shall consist of not less than five and not more than ten persons appointed by the Minister from among persons who have acquired experience and knowledge in the field of handicrafts or who are by virtue of their being holders of public office specially qualified in relation to the work of such Council.

(3) The Minister shall appoint one of the members to be the Chairman of that Council.

26. A person shall be disqualified from being appointed or continuing as a member of a Council—

Disqualifica-
tion from
membership.

(a) if he is or becomes a Member of Parliament; or

(b) if he has any such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of a Council.

27. (1) Every member shall, unless he vacates office earlier by death, resignation or removal, hold office for a term of three years and shall be eligible for reappointment.

Term of
office of
members.

(2) In the event of the death of or the vacation of office by any member of a Council or his removal from office, another person may be appointed in like manner as such member was appointed in accordance with the provisions of section 25. Any person appointed in place of such member shall hold office during the unexpired part of the term of office of the member whom he succeeds.

(3) If any member of a Council is temporarily unable to perform the duties of his office during any period due to ill health or absence from Sri Lanka or for any other cause, the Minister may appoint some other person to act in his place during such period in like manner as such member was appointed in accordance with the provisions of section 25.

28. Regulations may be made under this Part in respect of the meetings of a Council and the quorum thereof and for the procedure to be followed at such meetings.

Meetings of a
Council.

29. (1) The Minister may if he considers it expedient to do so remove any member of a Council appointed under section 25 without reasons stated.

Removal of
members of
a Council.

(2) The removal of any member under subsection (1) shall not be called in question in any court.

30. Any member of a Council may at any time resign his office by letter in that behalf addressed to the Minister.

Resignation
of members.

31. The powers and functions of a Council shall be to—

Powers and
functions of
a Council.

(a) advise and assist in the promotion, development and marketing of handicrafts;

(b) expand the production of handicrafts and improve the quality and standard of finished products;

(c) establish, maintain and operate centres, workshops and other institutions for the purpose of training craftsmen.

Regulations.

32. (1) The Minister may make regulations in respect of matters required by this Part to be prescribed and in particular in respect of the following matters :—

- (a) the mode and manner of selection of candidates for membership of a Council;
- (b) the procedure for the conduct of the business of a Council ; and
- (c) the accounting and financial procedure of a Council.

(2) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

(3) Every regulation shall, as soon as it is convenient after publication in the *Gazette*, be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval but without prejudice to anything previously done thereunder.

(4) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the *Gazette*.

PART III**Establishment
of the
Sri Lanka
Handicrafts
Board.**

33. (1) There shall be established a Board to be called the Sri Lanka Handicrafts Board (hereinafter in the Part referred to as the "Board").

(2) The Board shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

**Members of
the Board.**

34. (1) The Board shall consist of the following members who shall be appointed by the Minister :—

- (a) five members from among persons who appear to the Minister to have acquired experience and knowledge in the field of handicrafts ;
- (b) a representative of the Ministry in charge of the Minister to whom the subject of Trade has been assigned, nominated by such Minister ; and
- (c) a representative of the Ministry in charge of the Minister to whom the subject of Finance has been assigned, nominated by such Minister.

(2) The Minister shall appoint one of the members to be the Chairman of the Board.

(3) The Board shall exercise, perform and discharge the powers, duties and functions of the Board subject to such general or special directions as the Minister may issue from time to time and it shall be the duty of the Board to comply with such directions.

35. (1) A person shall be disqualified from being appointed or continuing as a member of the Board—

Disqualifica-
tion from
membership.

(a) if he is or becomes a Member of Parliament; or

(b) if he has any such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Board. The Minister shall satisfy himself from time to time with respect to every member of the Board appointed by the Minister that such member has no such interest.

(2) A member of the Board who is directly or indirectly interested in any contract made or proposed to be made by the Board shall disclose the nature of such interest at a meeting of the Board and such disclosure shall be recorded in the minutes of the Board and such member shall not take part in any deliberation or decision of the Board with respect to that contract.

36. (1) Every member shall, unless he vacates office earlier by death, resignation or removal, hold office for a term of three years and shall be eligible for reappointment.

Term of office
of members.

(2) In the event of the death of or the vacation of office by any member of the Board or his removal from office, the Minister may appoint another person in like manner as such member was appointed in accordance with the provisions of section 34. Any person appointed in place of such member shall hold office during the unexpired part of the term of office of the member whom he succeeds.

(3) If any member of the Board is temporarily unable to perform the duties of his office during any period due to ill health or absence from Sri Lanka or for any other cause, the Minister may appoint another person to act in his place during such period in like manner as such member was appointed in accordance with the provisions of section 34.

Removal of members of the Board.

37. (1) The Minister may, if he considers it expedient to do, so remove any member of the Board appointed under section 34 without reasons stated.

(2) The removal of any member under subsection (1) shall not be called in question in any court.

Resignation of members.

38. Any member of the Board may at any time resign his office by letter in that behalf addressed to the Minister.

Remuneration of members.

39. All or any of the members of the Board may be paid such remuneration out of the funds of the Board as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

Meetings of the Board and quorum.

40. (1) The Chairman of the Board shall, if present, preside at all meetings of the Board. In the absence of the Chairman from any such meeting the members present shall elect one of the members to preside at such meeting.

(2) The quorum for any meeting of the Board shall be four members.

(3) The procedure in regard to the meetings of such Board and the transaction of business at such meetings shall be as prescribed.

(4) All questions for decision at any meeting of the Board shall be decided by the vote of the majority of the members present. In case of an equality of votes the member presiding at that meeting shall have a casting vote.

(5) The Board shall meet at least once in every two months.

Acts not invalidated by reason of vacancy or defect in the appointment of member.

41. No act, decision or proceeding of the Board shall be deemed to be invalid by reason only of the existence of any vacancy in the Board or defect in the appointment of any member of the Board.

Period of office of Chairman.

42. (1) The term of office of the Chairman shall be the period of his membership in the Board.

(2) The Chairman may earlier resign his office by letter addressed to the Minister.

(3) The Minister may at any time, without assigning reasons therefor, terminate the appointment of the Chairman. Such termination shall not be called in question in any court.

43. (1) The seal of the Board shall be in the custody of the Board.

Seal of the Board.

(2) The seal of the Board may be altered in such manner as may be determined by the Board.

(3) The seal of the Board shall not be affixed to any instrument or document except in the presence of two members of the Board both of whom shall sign the instrument in token of their presence.

44. The objects of the Board shall be—

Objects of the Board.

(a) to promote the expansion of the production of handicrafts in Sri Lanka and the improvement of their quality ;

(b) to promote the sale and marketing of handicrafts of Sri Lanka both in Sri Lanka and abroad ; and

(c) to do all such acts which in the opinion of the Board are necessary for the attainment of the objects specified in paragraphs (a) and (b).

45. The powers, functions and duties of the Board shall be—

Powers, functions and duties of the Board.

(a) to establish, maintain and operate and assist in the establishment, maintenance and operation of centres, workshops or other institutions for the purpose of creating or adopting designs to be used in the production of handicrafts and the marketing of goods produced at such centres, workshops or other institutions ;

(b) to provide machinery, equipment and raw materials required for the production of handicrafts ;

(c) to procure, provide and distribute raw materials required for the production of handicrafts ;

(d) to give such assistance as may be necessary by way of medium term and short term credit facilities to craftsmen ;

(e) to provide for the training of craftsmen ;

(f) to expand the production of handicrafts and to improve the quality of the raw material used for such production and of the finished products ;

(g) to co-operate with scientific and technical institutions, organizations and agencies for the improvement of crafts materials and craft production techniques ;

- (h) to maintain shops and showrooms both in Sri Lanka and abroad, for the display and sale of handicrafts and to conduct displays, exhibitions and sales and to do all things incidental to such sales;
- (i) to promote the sale of handicrafts both in Sri Lanka and abroad and their export;
- (j) to appoint such officers and servants as may be necessary for carrying out the work of the Board;
- (k) to establish a provident fund and provide welfare and recreational facilities, houses, hotels and other like accommodation for persons employed by the Board;
- (l) to make rules in respect of the administration of the affairs of the Board;
- (m) to acquire, hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property;
- (n) to charge fees for any services or facilities provided by the Board; and
- (o) to do all such acts or things as are incidental to or consequential upon the exercise, performance and discharge of its powers, duties and functions.

**Directions
of the
Minister.**

46. (1) The Minister may, from time to time, give the Board general or special directions as to the exercise, performance and discharge of the powers, functions and duties of the Board and such directions shall be carried out by the Board.

(2) The Minister may, from time to time, direct the Board in writing to furnish him such information with regard to the property, business and activities of the Board, as he may require and the Board shall carry out every such direction.

**Delegation
of powers by
Chairman to
employees.**

47. The Chairman may, with the written approval of the Board, delegate in writing to any employee of the Board, any of its powers, duties or functions.

48. As soon as may be convenient after the coming into operation of this Part and with effect from a date to be appointed by the Minister by Order published in the Gazette all property immovable and movable (including cash) in the possession and control of the Department for Marketing and Export Promotion of Handicrafts and all movable and immovable property (including cash) in the possession and control of the Department of Small Industries pertaining to such sections of the Department of Small Industries as are specified in the Schedule hereto (hereinafter referred to as "relevant sections") shall with all assets, liabilities, powers, rights, interests and privileges of the Department for Marketing and Export Promotion of Handicrafts and of the Department of Small Industries pertaining to the relevant sections of that Department and subsisting on the day immediately preceding the appointed date be transferred to and shall vest in the Board.

Transfer of property held by the Department for Marketing and Export Promotion of Handicrafts and the Department of Small Industries pertaining to the relevant sections to the Board.

49. There may be appointed to the staff of the Board such officers and servants as the Board may deem necessary.

Staff of the Board.

50. (1) The provisions of this section shall apply to every public officer, other than any public officer in a transferable service of the Government, who was employed in the Department of Marketing and Export Promotion of Handicrafts or the relevant sections of the Department of Small Industries on the day immediately before the date of the coming into operation of this Part and the functions of whose office have been vested in or taken over by the Board.

Notice required to be given by certain public officers of the Departments of Marketing and Export Promotion of Handicrafts and of Small Industries.

(2) Every public officer to whom subsection (1) applies and who holds a post declared to be pensionable under the Minutes on Pensions, shall, not more than three months after the date on which the Order is made under section 48, give notice in writing to the Board that such officer intends with effect from such date—

(a) to continue in office as a public officer and perform so long as he so continues work for and on behalf of the Board in his capacity as such officer ; or

(b) to retire from the public service and become an employee of the Board if being a pensionable officer, he would, on that date, have had not less than ten years' pensionable service ; or

- (c) to leave the public service and become an employee of the Board, if being a pensionable officer, he would, on that date, have less than ten years' pensionable service ; or
 - (d) to leave the public service to become an employee of the Board, if he is a contributor to the Public Service Provident Fund established under the Public Service Provident Fund Ordinance ; or
 - (e) to both leave the public service and not become an employee of the Board.
- (3) A notice given under subsection (2) shall be final.

Certain provisions of Act No. 17 of 1969 to apply to officers referred to in section 50.

Appointment of public officers other than those referred to in section 50.

51. The provisions of sections 31B, 31C, 32 and 32A of the Ceylon Electricity Board Act, No. 17 of 1969, as amended by Act, No. 31 of 1969, shall apply, *mutatis mutandis*, to and in relation to any public officer referred to in section 50.

52. (1) At the request of the Board, any officer in the public service other than an officer referred to in section 50 may, with the consent of that officer, the Secretary to the Ministry by or under which that officer is employed, and the Secretary to the Ministry of the Minister in charge of the subject of Public Administration, be temporarily appointed to the staff of the Board for such period as may be determined by the Board with like consent or with like consent be permanently appointed to such staff.

(2) Where a public officer referred to in subsection (1) is temporarily appointed to the staff of the Board under that subsection, the provisions of section 13(2) of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to him.

(3) Where a public officer referred to in subsection (1) is permanently appointed to the staff of the Board under that subsection, the provisions of section 13(3) of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to and in relation to him.

(4) At the request of the Board, any officer or servant of the Local Government Service or any officer or servant of a local authority may, with the consent of that officer or servant and the Local Government Service Advisory Board or the local authority, as the case may be, be temporarily

appointed to the staff of the Board for such period as may be determined by the Board with like consent or with like consent be permanently appointed to that staff, on such terms and conditions, including those relating to pension or provident fund rights, as may be agreed upon by the Board and the Local Government Service Advisory Board or local authority.

(5) At the request of the Board any officer or servant of a public corporation may, with the consent of such officer or servant and the public corporation, be temporarily appointed to the staff of the Board with like consent or with like consent be permanently appointed to such staff on such terms and conditions including those relating to pension or provident fund rights as may be agreed upon by the Board and the said public corporation.

(6) Where any person is temporarily appointed to the staff of the Board under subsection (4) and (5). Such person shall be subject to the same disciplinary control as any other member of such staff.

53. Where any person has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service to the Board by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

Service to the Board to be regarded as service to the Government for the purpose of contracts to serve the Government.

54. Notwithstanding anything to the contrary in any other law, where any person who is already in receipt of a pension from the Government or from any local authority or from the Local Government Service Commission, is employed by the Board he shall not be paid such pension during the period of his employment by the Board.

Employment by Board of persons already in receipt of pensions.

55. For the purposes of this Part—

"pensionable public officer" means a public officer who—

- (a) holds a post declared to be a pensionable post under section 2 of the Minutes on Pensions;
- (b) does not belong to a transferable service of the Government;

Interpretation.

"pensionable service" means service under the Government which is reckonable for pension under the Minutes on Pensions.

Protection for action taken under this Part or on the direction of the Board.

56. A suit or prosecution shall not lie—

(a) against the Board for any act which in good faith is done or purported to be done by the Board under this Part; or

(b) against any member, employee or agent of the Board for any act which in good faith is done or purported to be done by him under this Part or on the direction of the Board.

Members and employees of the Board deemed to be public servants.

57. All members, officers and servants of the Board shall be deemed to be public servants within the meaning and for the purposes of the Penal Code.

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

58. 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.

Fund of the Board.

59. The Board shall have its own Fund. All receipts of the Board shall be paid into that Fund and all payments made by the Board shall be paid out of the Fund.

Capital of the Board.

60. (1) The initial capital of the Board shall be such sum as may be granted to the Board by resolution of Parliament from the Consolidated Fund.

(2) The capital of the Board may be increased from time to time by such amount as may be authorized by resolution of Parliament, and that amount shall be paid or made available to the Board by way of grant or loan on such terms and conditions as may be determined by the Minister in charge of the subject of Finance.

(3) The nett value of all movable and immovable property and all assets and liabilities transferred to the Board under section 48, or any part of the nett value of such movable and immovable property and assets and liabilities may be deemed to form part of the amount of the increase in the capital of the Board referred to in subsection (2).

61. Parliament may annually give a grant to the Board, to meet the expenses of the salaries and other emoluments of the staff and for the purpose of maintenance of the immovable property belonging to the "relevant sections" as referred to in section 48.

Annual
grant to
the Board.

62. The Board may, with the consent of the Minister or in accordance with the terms of any general authority given by him, borrow temporarily by way of overdraft or otherwise such sums as the Board may require for meeting the obligations of the Board or discharging its duties under this Act:

Borrowing
powers.

Provided that the aggregate of the amount outstanding in respect of any temporary loans raised by the Board under this section shall not at any time exceed such sum as may be determined by the Minister in consultation with the Minister in charge of the subject of Finance.

63. Any funds of the Board which are not immediately required for the purposes of the business of the Board may be invested by the Board in such manner as the Board may determine with the approval of the Minister given with the concurrence of the Minister in charge of the subject of Finance.

Investment
of the
funds of
the Board.

64. (1) The financial year of the Board shall be the calendar year.

Financial
year and the
audit of the
accounts of
the Board.

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

(3) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of the accounts of the Board.

65. The Board shall before the first day of November in each financial year transmit to the Minister for his approval a programme of the work involving capital expenditure which is to be undertaken by the Board during the next financial year and the Board shall have regard to any directions given by the Minister in respect of that programme.

Programme
of work to be
undertaken
by the Board
during a
financial year
to be
transmitted
to the
Minister
for his
approval.

66. (1) The Minister may make regulations in respect of matters required by this Part to be prescribed or in respect of which regulations are required or authorized to be made.

Regulations.

(2) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified therein.

(3) Every regulation made by the Minister shall, as soon as convenient after its publication in the *Gazette*, be brought before Parliament for approval.

(4) Any regulation which is not so approved, shall be deemed to be rescinded as from the date of disapproval but without prejudice to anything previously done thereunder. Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the *Gazette*.

Power of Board to compound claims.

67. Where the Board considers it reasonable having regard to the interests of the Board, and with the approval of the Minister, the Board may compound any claims or demand made against the Board by any person for such sum or other compensation as the Board may deem sufficient.

Power of companies &c. to enter into contracts with the Board.

68. Any company or other body of persons may notwithstanding anything to the contrary in any written law or instrument relating to its functions, with the approval of the Minister, enter into and perform all such contracts with the Board as may be vital for the purpose of achieving the objects of the Board.

State property both movable and immovable to be made available to the Board.

69. (1) The Minister in charge of the subject of Lands, may, at the request of the Minister, by Order published in the *Gazette*, transfer to and vest in the Board the possession and use of any immovable property of the State for specified purposes of the Board.

(2) The Minister may, by Order published in the *Gazette*, transfer to and vest in the Board, the possession and use of any movable property of the State for specified purposes of the Board.

Provided, however, that no Order affecting any movable property of the State shall be made by the Minister under the preceding provisions of this subsection, without the concurrence of the Minister having control over such property.

70. (1) Where any immovable property is required to be acquired for any specified purpose of the Board, the Minister may, by Order published in the *Gazette*, approve of the proposed acquisition, and the purpose for which the land is required shall be deemed to be a public purpose. The Minister in charge of the subject of Lands may thereafter acquire such immovable property under the Land Acquisition Act.

Acquisition of immovable property under the Land Acquisition Act for the Board.

(2) Any sum payable for the acquisition of any immovable property under the Land Acquisition Act by the Board shall be paid by the Board.

PART IV

71. (1) There shall be established a National Design Centre (hereafter in this Part referred to as the "Centre").

National Design Centre.

(2) The Centre 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.

72. The Centre shall be managed by a Board consisting of the following members who shall be appointed by the Minister—

Constitution of the Board.

(i) a Chairman and four persons from among persons who appear to the Minister to have wide knowledge and experience in, and to have shown capacity in, the field of research, product development and designing of crafts;

(ii) the Chairman of the National Crafts Council;

(iii) the Chairman of the Sri Lanka Handicrafts Board;

(iv) an officer of the Ministry of the Minister in charge of the subject of Finance, nominated by such Minister; and

(v) a representative of the Export Development Board nominated by the Chairman of that Board.

73. A person shall be disqualified from being appointed or continuing as a member of the Board—

Disqualification from membership

(a) if he is or becomes a Member of Parliament;

(b) if he directly or indirectly holds or enjoys any right or benefit under any contract made by or on behalf of the Board; or

(c) if he has any such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Board.

Member to disclose interests to the Board.

74. A member who is directly or indirectly interested in any business transacted or proposed to be transacted by the Board shall disclose the nature of such interest at the meeting of the Board where such business is being discussed. The disclosure shall be recorded in the minutes of the Board and such member shall not take part in any deliberation or decision of the Board with regard to that business and shall withdraw from such meetings while such deliberation is in progress or such decision is being made.

Meetings of the Board and quorum.

75. (1) The Chairman of the Board shall, if present, preside at all meetings of the Board. In the absence of the Chairman from any such meeting, the members present, shall elect one of the members to preside at such meeting.

(2) The quorum for any meeting of the Board shall be five members.

(3) The procedure in regard to the meetings of such Board and the transaction of business at such meetings shall be as prescribed.

(4) All questions for decision at any meeting of the board shall be decided by the vote of the majority of the members present. In case of an equality of votes the member presiding at that meeting shall have a casting vote.

Acts not invalidated by reason of vacancy on defect in the appointment of member.

76. No act, decision or proceeding of the Board shall be deemed to be invalid by reason only of the existence of any vacancy in the Board or defect in the appointment of any member of the Board.

Term of office of members.

77. (1) Every member shall, unless he vacates office earlier by death, resignation or removal, hold office for a term of three years and shall be eligible for reappointment.

(2) In the event of the death of or the vacation of office by any member of the Board or his removal from office, the Minister shall appoint another person in like manner as such member was appointed in accordance with the provisions of section 72. Any person appointed in place of such member shall hold office during the unexpired part of the term of office of the member whom he succeeds.

(3) If any member of the Board is temporarily unable to perform the duties of his office during any period due to ill health or absence from Sri Lanka or for any other cause, the Minister may appoint some other person to act in his place during such period in like manner as such member was appointed in accordance with the provisions of section 72.

78. (1) The Minister may, if he considers it expedient to do so, remove any member of the Board appointed under section 72 without reasons stated.

Removal of members of the Board.

(2) The removal of any member under subsection (1) shall not be called in question in any court.

79. Any member of the Board may at any time resign his office by letter in that behalf addressed to the Minister.

Resignation of members.

80. All or any of the members may be paid such remuneration out of the Fund of the Centre as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

Remuneration of members of the Board.

81. (1) The seal of the Centre shall be in the custody of the Chairman.

Seal of the Centre.

(2) The seal of the Centre may be altered in such manner as may be determined by the Board.

(3) The seal of the Centre shall not be affixed to any instrument or document except in the presence of two members of the Board both of whom shall sign the instrument in token of their presence.

82. The powers and functions of the Centre shall be—

Powers and functions of the Centre.

(a) to undertake designs for small industries and research in respect of materials used for the production of handicrafts and designing of such handicrafts, and to seek to substitute the use of local raw materials for imported raw materials;

(b) to acquaint itself with market development both in Sri Lanka and abroad and the demand in other countries for handicrafts produced in Sri Lanka;

(c) to devise new and more efficient methods of production of handicrafts;

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- (d) to consider the introduction of mechanization with a view to effecting the production of handicrafts more economically and efficiently;
- (e) to advise and assist the Sri Lanka Handicrafts Board and craftsmen in respect of matters relating to the production of handicrafts both in the processes used and the utilization of raw materials and generally in the development and production of handicrafts;
- (f) to carry out tests in respect of materials used for the production of handicrafts at the request of the National Crafts Council, the Sri Lanka Handicrafts Board, Crafts Councils and other bodies or persons and to issue such certificates as prescribed in respect of the quality and standard of such materials;
- (g) to maintain an information bank on materials, processes, designs and market trades which may be of value to the National Crafts Council, the Sri Lanka Handicrafts Board, Crafts Councils and craftsmen;
- (h) to impose and collect charges on services rendered by the Centre;
- (i) to maintain laboratories, workshop and other institutions;
- (j) to enter into agreements with the approval of the Government with institutions in Sri Lanka and abroad whose objects are wholly or partly similar to those of the Centre; and
- (k) perform such acts as are incidental to or consequential upon the exercise, performance and discharge of its powers, duties and functions.

**Fund of
the Centre.**

83. (1) The Centre shall have its own Fund. There shall be credited to the Fund of the Centre—
- (a) all such sums of money as may be voted from time to time by Parliament for the use of the Centre;
 - (b) all such sums of money as may be transferred to the Centre by way of donations, gifts or grants from any source whatsoever, whether in or outside Sri Lanka; and
 - (c) all such sums of money as may be transferred to the Centre according to law by any Government department, public corporation or other institution.

(2) There shall be paid out of the Fund of the Centre all such sums of money as may be required to defray any expenditure incurred by the Centre in the exercise and discharge of its powers and functions.

84. (1) The financial year of the Centre shall be the calendar year.

Financial
year and
the audit of
accounts of
the Centre

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

(3) The provisions of Article 154 of the Constitution relating to the audit of the accounts of public corporations shall apply to the audit of the accounts of the Centre.

85. (1) The Board may appoint to the staff of the Centre such officers and servants as it may consider necessary for the purposes of the Centre.

Staff of
the Centre

(2) Subject to the other provisions of this Part, the Board may—

(a) appoint, dismiss and exercise disciplinary control over the staff of the Centre;

(b) fix the wages or salaries or other remuneration of the staff;

(c) determine the terms and conditions of service of such staff; and

(d) establish and regulate a provident fund and schemes for the benefit of such staff and make contributions to such fund or schemes.

(3) Rules may be made under this Part in respect of all or any of the matters referred to in subsection (2).

(4) At the request of the Board any officer in the public service may, with the consent of that officer and the Secretary to the Ministry of the Minister in charge of the subject of Public Administration, be temporarily appointed to the staff of the Centre for such period as may be determined by the Board with like consent or with like consent be permanently appointed to such staff.

(5) Where any officer in the public service is temporarily appointed to the staff of the Centre, the provisions of subsection (2) of section 13 of the Transport Board Law, No. 19 of 1978, shall apply, *mutatis mutandis*, to and in relation to him.

(6) Where any officer in the public service is permanently appointed to the staff of the Centre, the provisions of subsection (3) of section 13 of the Transport Board Law, No. 19 of 1978, shall apply, *mutatis mutandis*, to and in relation to him.

(7) Where the Board employs any person who has agreed to serve the Government for a specified period, any period of service to the Centre by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such agreement.

(8) At the request of the Board, any member of the Local Government Service or any other officer or servant of a local authority, may, with the consent of such member, officer or servant and the Local Government Service Advisory Board or the local authority, as the case may be, be temporarily appointed to the staff of the Centre for such period as may be determined by the Board with like consent or with like consent be permanently appointed to such staff on such terms and conditions including those relating to the pension or provident fund rights as may be agreed upon by the Board and the Local Government Service Advisory Board or that local authority.

(9) At the request of the Board, any officer or servant of a public corporation may with the consent of such officer or servant and the public corporation be temporarily appointed to the staff of the centre for such period as may be determined by the Centre with like consent, or with like consent be permanently appointed to such staff on such terms and conditions including those relating to pension or provident fund rights, as may be agreed upon by the Board and the said public corporation.

(10) Where any person is temporarily appointed to the staff of the Centre in pursuance of subsections (8) and (9), such person shall be subject to the same disciplinary control as any other member of such staff.

Regulations.

86. (1) The Minister may make regulations in respect of matters required by this Part to be prescribed or in respect of which regulations are required or authorized to be made.

(2) Every regulation made by the Minister shall be published in the Gazette and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

(3) Every regulation shall, as soon as it is convenient after publication in the *Gazette*, be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval but without prejudice to anything done previously thereunder.

(4) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the *Gazette*.

87. (1) The Board may make rules in respect of all or any matters for which rules are authorized or required by this Part to be made.

(2) A rule made by the Board under subsection (1) shall not have effect until it is approved by the Minister and notification of such approval is published in the *Gazette*.

88. A suit or prosecution shall not lie—

- (a) against the Board for any act which in good faith is done or purported to be done by the Board under this Part ; or
- (b) against any member or employee of the Centre for any act which in good faith is done or purported to be done by him under this Part or on the direction of the Board.

Rules made
by the
Board.

Protection
for action
taken under
this Part
or on
the direction
of the
Board.

89. Where the Board considers it reasonable having regard to the interests of the Centre, and with the approval of the Minister, the Board may compound any claims or demand made against it by any person for such sum or other compensation as it may deem sufficient.

Board to
compound
claim.

90. (1) Where any immovable property is required to be acquired for any specified purpose of the Centre the Minister may, by Order published to the *Gazette*, approve of the proposed acquisition and the purpose for which the land is required shall be deemed to be a public purpose. The Minister in charge of the subject of Lands may thereafter acquire such immovable property under the Land Acquisition Act.

Acquisition
of
immovable
property
under the
Land
Acquisition
Act for
the centre.

(2) Any sum payable for the acquisition of any immovable property under the Land Acquisition Act for the Centre shall be paid by the Centre.

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State
property
both movable
and
immovable
to be made
available to
the Centre.

91. (1) The Minister in charge of the subject of Lands may, at the request of the Minister, by Order published in the *Gazette*, transfer to and vest in the Centre, the possession and use of any immovable property of the State for any specified purpose of the Centre.

(2) The Minister may by Order published in the *Gazette* transfer to and vest in the Centre the possession and use of any movable property (including cash) of the State for any specified purpose of the Centre:

Provided, however, that no Order affecting any movable property of the State shall be made by the Minister under the preceding provisions of this subsection without the concurrence of the Minister having control over such property.

SCHEDULE

[Section 48]

Sections of the Department of Small Industries to be transferred to and to vest in the Board.

Centres for—

- Curious
- Toys
- Rattan (cane) ware
- Bamboo ware
- Eakle ware
- Mat crafts
- Hana ware
- Wetakaia ware
- Palmyrah (talkola) ware
- Indikola ware
- Mask making crafts
- Wood carving crafts
- Coconut shell carving crafts
- Lace making crafts
- Needlework (sewing) crafts
- Village pottery crafts
- Lacquer work (laksha) crafts
- Reed ware
- Rush ware
- Fan (avan) crafts