

PARLIAMENT OF CEYLON

3rd Session 1958-59



Tourist Development Board Act, No. 9 of 1959

Date of Assent : April 3, 1959

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AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A BOARD TO ENCOURAGE, PROMOTE AND DEVELOP TOURIST TRAVEL TO AND IN CEYLON AND FOR MATTERS CONNECTED THEREWITH.

[Date of Assent: April 3, 1959]

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 Tourist Development Board Act, No. 9 of 1959, and shall come into operation on such date (hereafter in this Act referred to as the appointed date) as the Minister may appoint by Order published in the *Gazette*.

Short title
and date of
operation.

2. (1) There shall be established a Board which shall be called the Tourist Development Board, hereafter in this Act referred to as the Board.

(2) The Board shall consist of ten members appointed by the Minister.

(3) A person shall not be qualified for appointment or for continuing as a member of the Board—

(a) if he is a Senator or a Member of Parliament, or

(b) if he has, directly or indirectly, any interest in a subsisting contract with the Board except as a shareholder (other than a director) in an incorporated company consisting of more than twenty-five members.

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

(5) A member of the Board may resign the office of such member by letter addressed to the Minister.

(6) The Chairman of the Board may resign the office of such Chairman by letter addressed to the Minister.

(7) The Minister may, without stating any reason, terminate, by Order published in the *Gazette*, the appointment of any member of the Board or the appointment of the Chairman of the Board.

Establishment
of the Tourist
Development
Board.

(8) If the Chairman or any member of the Board is temporarily unable to discharge the duties of his office on account of ill-health or absence from Ceylon or for any other cause, the Minister may appoint some other member to act in the place of such Chairman or member.

(9) Every member of the Board shall, unless he earlier vacates office, hold office for a period of five years. Any such member who vacates office by effluxion of time shall be eligible for re-appointment.

**Disclosure by
a member of
the Board of
his share in a
company which
has entered
into a contract
with the Board.**

3. Where a member of the Board is a shareholder in any such incorporated company referred to in subsection (3) (b) of section 2 as has entered into any contract with the Board, he shall disclose to the Minister the nature and the extent of the shares held by him in such company.

**Remuneration
of members of
the Board.**

4. The members of the Board shall be remunerated in such manner and at such rates as may be determined by rules made under this Act.

**Vacancy in, or
defect in
appointment of
a member of,
the Board not
to invalidate
any act of
the Board.**

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

**Purposes of
the Board.**

6. (1) The purposes of the Board shall be—

- (a) to encourage, promote and develop tourist travel to and in Ceylon;
- (b) to provide, extend or improve, or assist financially by way of loan or otherwise the provision, extension or improvement of, accommodation for tourists;
- (c) to provide or improve, or assist financially by way of loan or otherwise the provision or improvement of, amenities, sports, amusements or other attractions which the Board considers necessary for the promotion of tourist travel to and in Ceylon;
- (d) to engage, and to co-operate with tourist, travel and other agencies, in the display and distribution of exhibits and graphic materials designed to call attention to the attractions and places of interest in Ceylon,

and in the collection, publication and dissemination of information with respect to places of interest, routes, transportation facilities, accommodations and such other matters as the Board deems necessary for the purpose of encouraging, promoting or developing tourist travel to and in Ceylon;

- (e) to train, or assist financially by way of loan or otherwise the training of, persons to do work which is wholly or mainly connected with tourist travel to and in Ceylon; and
- (f) to adopt such other measures as the Board considers advantageous for the purpose of encouraging, promoting or developing tourist travel to and in Ceylon.

(2) The Board may subject to such conditions or restrictions as may be prescribed by regulations made under this Act—

- (a) grant a loan to any local authority or to any Board or Corporation or Government Institution for the purpose of assisting such authority, Board, Corporation or Institution in the development of any of the objects referred to in sub-section (1), and
- (b) make a grant of money to such authority, Board, Corporation or Institution for the furtherance of any or all of the objects referred to in sub-section (1).

7. The Board shall in the name assigned to it by sub-section (1) of section 2 be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in such name.

The Board to
be a body
corporate.

8. (1) The seal of the Board shall be in the custody of such person as the Board may from time to time determine.

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 document except by the authority of the Board and in the presence of two members of the Board who shall sign the document in token of their presence.

Powers and
funds of
the Board.

9. (1) The Board may acquire, hold, take or give on lease or hire, mortgage, pledge and sell or otherwise dispose of any movable or immovable property:

Provided that no immovable property of the Board shall be sold without the approval of the Minister.

(2) The Board may, with the approval of the Minister given with the concurrence of the Minister of Finance, raise such loans as may be required for any of the purposes of the Board.

(3) The Board may do all such other things as are conducive to the attainment of its purposes.

(4) Such sums as may from time to time be granted for the purposes of the Board by Parliament or by resolution of the House of Representatives shall form part of the funds of the Board.

(5) The Board may utilise its funds for defraying all expenditure incurred in the exercise of its powers and the discharge of its functions under this Act.

Appointment
of officers
and servants.

10. (1) The Board may appoint such officers and servants as the Board considers necessary for the performance of the work of the Board:

Provided that a person who is not a citizen of Ceylon shall not be appointed as an officer or a servant of the Board without the written approval of the Minister.

(2) The non-pensionable officers and servants employed in the Government Tourist Bureau on the day immediately preceding the appointed date shall, with effect from a date determined by the Minister, be transferred to the service of the Board, and upon such transfer, they shall cease to be in the service of the Government and shall, for the purposes of the Public Service Provident Fund Ordinance, No. 18 of 1942, be deemed to have left the service of the Government on the abolition of office.

(3) At the request of the Board, any officer in the public service may, with the consent of that officer and of the Secretary to the Treasury, be temporarily appointed to the staff of the Board for such period as may be determined by the Board with like consent, or be permanently appointed to such staff.

(4) Where any officer in the public service is temporarily appointed to the staff of the Board, subsection (2) of section 26 of the Government-Sponsored Corporations Act, No. 19 of 1955, shall *mutatis mutandis* apply to and in relation to him.

(5) Where any officer in the public service is permanently appointed to the staff of the Board, sub-section (3) of section 26 of the Government-Sponsored Corporations Act, No. 19 of 1955, shall *mutatis mutandis* apply to and in relation to him.

(6) Where the Board employs any person who 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.

(7) The officers and servants of the Board shall be remunerated in such manner and at such rates, and shall be subject to such conditions of service, as may be determined by rules made under this Act.

(8) The Board may, in accordance with the rules made under this Act, establish and regulate a provident fund for the benefit of its officers and servants and make contributions to such fund out of the moneys of the Board.

(9) No person who has directly or indirectly, by himself or his partner or agent, any share or interest in any contract made by or on behalf of the Board shall become or remain an officer or a servant of the Board.

11. (1) The control of every resthouse vested in the Director of the Government Tourist Bureau on the day immediately preceding the appointed date is hereby transferred to and vested in the Board.

Vesting of the
control of
certain rest-
houses in the
Board, and
divesting the
Board of such
control, &c.

(2) The Minister may, by Order published in the *Gazette*, transfer to and vest in the Board the control of any resthouse to which sub-section (1) does not apply.

(3) All such rules relating to any resthouse the control of which is transferred to and vested in the Board by sub-section (1) as have been made, under section 4 (2A) of the Resthouses Act, No. 12 of 1951, as amended by Act No. 43 of 1956, or are deemed to have been made, under section 3 of the Resthouses (Amendment) Act, No. 43 of 1956, by the Minister in charge of the subject of tourism and are in force on the day immediately preceding the appointed date shall, in so

far as those rules are not inconsistent with the provisions of this Act, be deemed to be rules made by the Board under this Act, and may accordingly be amended, added to or repealed by the Board by rules made under this Act.

(4) So long as the Board continues to have the control of any resthouse by virtue of sub-section (1) or of any Order made and published under sub-section (2), the Resthouses Act, No. 12 of 1951, shall not apply to or in relation to that resthouse.

(5) The Minister may, by Order published in the *Gazette*, divest the Board of the control of any resthouse the control of which has been transferred to and vested in the Board by sub-section (1) or by Order of the Minister made and published under sub-section (2). The Order by which the Board is divested of the control of such resthouse may provide for the transfer to the Crown of any contract entered into by the Board in respect of such resthouse, and where such contract is so transferred to the Crown, such contract shall be deemed to be a contract of the Crown and the subsisting rights and liabilities of the Board under such contract shall be deemed to be the rights and liabilities of the Crown.

(6) Where the Board is divested of the control of any resthouse by Order of the Minister made and published under sub-section (5), the rules relating to that resthouse which are in force on the day immediately preceding the date on which that Order takes effect shall, in so far as such rules are not inconsistent with the provisions of the Resthouses Act, No. 12 of 1951, as amended by Act No. 43 of 1956, be deemed to be rules made under section 4 (2A) of that Act, and may be amended, added to or repealed by rules made under that section.

Transfer of the possession and use of certain Crown property and certain contracts to the Board.

12. (1) Where the control of a resthouse is vested in the Board by or under section 11, the Minister may, by Order published in the *Gazette*,—

- (a) transfer to and vest in the Board the possession and use of any such movable or immovable property of the Crown as may be appurtenant to that resthouse, and
- (b) transfer to the Board any contract entered into by the Crown in respect of that resthouse:

Provided that no Order affecting any immovable property of the Crown shall be made by the Minister under the preceding provisions of this sub-section without the concurrence of the Minister for the time being in charge of the subject of Crown lands.

(2) Where any contract of the Crown is transferred to the Board by Order of the Minister made and published under sub-section (1), that contract shall be deemed to be a contract of the Board and all the subsisting rights and liabilities of the Crown under that contract shall be deemed to be the rights and liabilities of the Board.

13. Where the Board is divested of the control of any resthouse by Order of the Minister made and published under sub-section (5) of section 11, then, if the possession and use of any such movable or immovable property of the Crown as may be appurtenant to that resthouse have been transferred to and vested in the Board by Order of the Minister made and published under sub-section (1) of section 12, the Board shall, with effect from the date on which the Board is divested of the control of that resthouse, be deemed to be divested of the possession and use of such movable or immovable property of the Crown, and such possession and use shall revert to the Crown.

Reversion to
the Crown of
the possession
and use of
Crown property
possessed and
used by the
Board.

14. (1) The Board shall constitute a General Reserve out of the funds of the Board, and any sum out of the General Reserve shall not be expended for any purpose except with the approval of the Minister.

General Reserve.

(2) The amount standing to the credit of the General Reserve may be invested in securities of any description referred to in section 20 of the Trusts Ordinance; and the moneys realised from the sale of any such securities may be re-invested in securities of the like description.

Cap. 72.

15. (1) The Board shall cause its accounts to be kept in such form and in such manner as may be approved by the Minister with the concurrence of the Minister of Finance.

Accounts of
the Board.

(2) The books of account of the Board shall be kept at the head office of the Board.

(3) The Board shall cause its books to be balanced as on the thirty-first day of December in each year and shall, before the first day of July of the following year, cause to be prepared a profit and loss account and a balance sheet containing a summary of the assets and liabilities of the Board made up to the first-mentioned day. The profit and loss account and the balance sheet shall be signed by the Accountant of the Board and such other officer of the Board as may be authorised by the Board to do so.

Audit.

16. (1) The accounts of the Board shall be audited by the Auditor-General, and the report of the Auditor-General on such accounts shall be transmitted by him to the Board.

(2) The Auditor-General or any officer authorised by the Auditor-General shall have access to all such books, deeds, contracts, accounts, vouchers and other documents of the Board as the Auditor-General or such authorised officer may consider necessary for the purposes of the audit of the accounts of the Board and shall be furnished by the members and employees of the Board with such information within their knowledge as may be required for such purposes.

(3) The Auditor-General shall be paid by the Board such fee for auditing the accounts of the Board as the Minister may determine with the concurrence of the Minister of Finance. Any fee paid to the Auditor-General under this sub-section shall be credited to the Consolidated Fund of Ceylon.

Documents to
be transmitted
to the Minister
and to be
placed before
the Senate
and the
House of
Representatives.

17. (1) The Chairman of the Board shall, on receipt of the Auditor-General's report in respect of any year, cause a copy of each of the following documents relating to that year to be transmitted to the Minister:—

- (a) Auditor-General's Report.
- (b) Profit and Loss Account.
- (c) Balance Sheet.

(2) The Minister shall lay copies of the documents transmitted to him under sub-section (1) before the Senate and the House of Representatives.

Receipts of
the Board.

18. A receipt acknowledging the payment of any sum of money to the Board may be signed by any member of the Board or by an officer of the Board authorised by the Board to grant receipts.

19. The net annual profits of the Board may be applied to such purposes, including the payment of bonuses to employees of the Board, as may be determined by the Board with the approval of the Minister given with the concurrence of the Minister of Finance, and any such profits which are not so applied shall be credited to the General Reserve.

Application
of profits.

20. Contracts on behalf of the Board may be made as follows:—

Contracts.

- (a) a contract which if made between private persons would be by law required to be in writing, may be made on behalf of the Board in writing under the common seal of the Board;
- (b) a contract which if made between private persons would be by law required to be in writing signed by the parties to be charged therewith, may be made on behalf of the Board in writing, signed by the Chairman of the Board or by any member or employee of the Board duly authorised thereto by the Board; and
- (c) a contract which if made between private persons would in law be valid although made by parol only and not reduced into writing, may be made by parol on behalf of the Board by the Chairman of the Board or by any member or employee of the Board duly authorised thereto by the Board.

21. (1) The Board may delegate any of its powers (other than the power to make rules) or any of its duties to any member or officer of the Board, and may revoke any such delegation either wholly or in part and either as to persons or purposes.

Delegation of
powers and
duties of the
Board.

(2) A person to whom any power or duty of the Board is delegated under this section shall, in the exercise or performance of that power or duty, conform to all such directions as may be given by the Board. All acts done by such person in conformity with such directions and in fulfilment of the purposes of the delegation made to him, but not otherwise, shall have the like force and effect as if done by the Board.

Use of the expression "approved by the Tourist Development Board".

22. (1) Except with the written approval of the Board, no person shall use the expression "approved by the Tourist Development Board" or any other cognate expression.

(2) Any person who contravenes the provisions of sub-section (1) shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one thousand rupees.

Minister's directions to the Board.

23. In the exercise of its powers and the performance of its duties under this Act, the Board shall be subject to, and act in accordance with, such general or special directions as the Minister may issue from time to time.

Power to make rules.

24. (1) The Board may make rules in respect of all or any of the following matters:—

- (a) the matters referred to in section 4 and section 10 (7);
- (b) the matters referred to in section 10 (8), including the contributions to be made to the provident fund by officers and servants of the Board and the deduction of such contributions from the salaries of such officers and servants;
- (c) the appointment, promotion, dismissal and disciplinary control of its officers and servants;
- (d) the meetings of the Board and the quorum for, and the procedure to be followed at, such meetings;
- (e) the maintenance, use and occupation of rest-houses the control of which is vested in the Board, the fees and charges to be paid for such use and occupation and the conduct of persons using or occupying such resthouses; and
- (f) any other matter connected with the affairs of the Board.

(2) Any rule made under this section in regard to the conduct of persons using or occupying any rest-house the control of which is vested in the Board may declare the contravention of, or the failure to comply

with, such rule to be an offence triable summarily by a Magistrate and specify as the punishment for such offence a fine of an amount not exceeding one hundred rupees or a term of imprisonment of either description not exceeding six months or both such fine and such imprisonment.

(3) No rule made under this section shall have effect until it is approved by the Minister, confirmed by the Senate and the House of Representatives, and published in the *Gazette*.

(4) The Minister shall not, without the concurrence of the Minister of Finance, approve any rule made by the Board in respect of any matter referred to in paragraphs (a), (b) and (c) of sub-section (1).