

PARLIAMENT OF CEYLON

3rd Session, 1954-55



Ceylon Development Loans (Amendment) Act, No. 25 of 1954

Date of Assent : May 14, 1954

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AN ACT TO AMEND THE CEYLON DEVELOPMENT LOANS
ACT, NO. 6 OF 1954.

[Date of Assent: May 14, 1954]

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 Development Loans (Amendment) Act, No. 25 of 1954.

Short title.

2. Section 24 of the Ceylon Development Loans Act, No. 6 of 1954, (hereinafter referred to as the "principal Act"), is hereby repealed and the following section substituted therefor:—

Replacement of
section 24 of
Act No. 6
of 1954.

Enforceability
of Loan Agree-
ment, bonds
and promissory
notes.

24. Every Loan Agreement between the Government of Ceylon and the International Bank and every bond and promissory note issued pursuant to such Loan Agreement and held either by that Bank or by any other person shall be valid and enforceable in accordance with their respective terms, notwithstanding anything to the contrary in any law of Ceylon.

3. Section 25 of the principal Act is hereby repealed and the following section substituted therefor:—

Replacement
of section 25
of the principal
Act.

Sums payable
by Government
of Ceylon under
Loan Agree-
ment, bonds
and promissory
notes to be a
charge on
Consolidated
Fund of Ceylon.

25. All sums payable by the Government of Ceylon to the International Bank under a Loan Agreement between that Government and that Bank and all sums payable by that Government under any bond or promissory note issued pursuant to such Loan Agreement and held either by that Bank or by any other person are hereby charged on the Consolidated Fund of Ceylon.

4 *Ceylon Development Loans (Amendment) Act,*
No. 25 of 1954.

Replacement
of section 26
of the principal
Act.

4. Section 26 of the principal Act is hereby repealed and the following section substituted therefor:—

Payments
under Loan
Agreement,
bonds and
promissory notes
to be free from
taxes, duties,
fees and
restrictions.

26. (1) All sums payable by the Government of Ceylon to the International Bank under a Loan Agreement between that Government and that Bank and all sums payable by that Government under any bond or promissory note issued pursuant to such Loan Agreement and held either by that Bank or by any other person shall be paid—

(a) without deduction for, and free from, any taxes, duties or fees now or hereafter imposed by or under any law of Ceylon, and

(b) free from all restrictions now or hereafter imposed by or under any law of Ceylon,

notwithstanding anything to the contrary in any law of Ceylon:

Provided, however, that the preceding provisions of this sub-section shall not apply to any taxes, duties, fees or restrictions upon payments under any bond or promissory note to a holder thereof other than the International Bank when such bond or promissory note is beneficially owned by an individual or a corporation resident or domiciled in Ceylon.

(2) For the purposes of sub-section (1), the question whether a person or corporation is or is not resident in Ceylon shall be determined in accordance with the provisions of section 33 of the Income Tax Ordinance.

Cap. 188.

Insertion of
new section 26A
in Part III of
the principal
Act.

5. The following section is hereby inserted in Part III immediately after section 26, and shall have effect as section 26A, of the principal Act:—

When a loan
from
International
Bank is deemed
to be raised
and in what
amount of
rupees the loan
is deemed to be.

26A. For the purposes of sub-section (1) of section 2, a loan from the International Bank—

(a) shall be deemed to be raised on the date when the Loan

Agreement providing therefor becomes effective in accordance with its terms, and

- (b) shall be deemed to be in such amount of rupees as is equivalent, at the rate of exchange in force on the aforesaid date, to the amount of the loan as expressed in the currency in which the loan is denominated for the purposes of the aforesaid Loan Agreement.

6. The amendments made in the principal Act by this Act shall be deemed to have taken effect on the date of the commencement of the principal Act.

Amendments
made in the
principal Act
by this Act to
have retrospec-
tive effect.