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SOCIALIST REPUBLIC OF
SRI LANKA**

Part II of April 25, 2025

SUPPLEMENT

(Issued on 30.04.2025)



**TREDZO DEVELOPMENT FOUNDATION
(INCORPORATION)**

(Private Members' Bill)

A

BILL

to incorporate the Tredzo Development Foundation

*To be presented in Parliament by Hon. Waruna Liyanage, M.P. for
Rathnapura District*

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Tredzo Development Foundation
(Incorporation)

AN ACT INCORPORATE THE TREDZO DEVELOPMENT FOUNDATION

WHEREAS the Foundation called and known as the “Tredzo Development Foundation” has heretofore been established in Sri Lanka For the purpose of effectually carrying out its objects and transacting all matters connected with the said Foundation according to the rules agreed to by its members:

AND WHEREAS the said Foundation has heretofore successfully carried out and transacted the several objects and matters for which it was established and has applied to be incorporated and it will be for the public advantage to grant the said application.

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

1. This Act may be cited as the Tredzo Development Foundation (Incorporation) Act, No. of 2025.

2. (1) From and after the date of commencement of this Act, such and so many persons as now are members of the Tredzo Development Foundation (hereinafter referred to as the “Foundation”) and shall hereafter be admitted as members of the body corporate hereby constituted shall have perpetual succession under the name and style of the “Tredzo Development Foundation” (hereinafter referred to as the “body corporate”), and by that name may sue and be sued with full power and authority to have, and use a common seal and to alter the same at its pleasure.

(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning and for the

3. The general objects for which the body corporate is constituted are hereby declared to be:-

(a) to extend financial and/or support and assistance to Communities, Provincial Councils, Local Government Organizations, Non-Governmental Organizations and any other Civil Society Organizations to strengthen their capacity to plan, finance, implement, and operate rural development activities;

(b) to assist in improving the well-being and incomes of persons living in rural areas in Sri Lanka by the provision of funds therefore and to implement sustainable projects for the improvement and wellbeing of communities/ persons in such areas and to supervise and monitor the same;

(c) to facilitate, arrange, purchase, market, export, distribute the output of rural industries from agriculture and farming in Sri Lanka in order to further the interests of farmers and producers;

(d) to support the communities in education, including vocational training and implement development schemes for the benefit of the people;

(e) to assisting and promoting the development programs at the village level;

(f) to receive international financial assistance, grants, donations, loans and investments.

4. The objects of the body corporate shall be carried out in accordance with written law and in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously by any Ministry or Department of the Government or of any Provincial Council or any Local Authority.

Body corporate to ensure no conflict with work of Ministry or Department or any Provincial Council

5. (1) Subject to the provisions of this Act, and the rules made under section 7, the management and administration of the affairs of the body corporate shall be carried out by an Executive Committee (hereinafter referred to as the "Committee") consisting of not less than three and not more than ten members and of office bearers as may be specified by the rules made under section 7.

Management of the affairs of the body corporate

(2) (a) The members of the Committee holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b), function as an Interim Committee of the body corporate until the first Committee is appointed or elected in the manner provided for by rules made under section 7 and the first members of the Committee shall be:-

Mr. Thusitha Chandrapadma Kannangara;

Mr. Alampolearachchige Duminda Channa;
Ranasinghe;

Mrs. Dhammika Kannangara;

Mr. Denesh Denis Uduwela;

Mr. Kumarage Don Chamila Chathuran Jeevantha
Silva.

10 (c) Any decision of the Interim Committee shall be taken
by the agreement of three members present at such meeting.

15 (3) (a) Every office bearer of the body corporate
including the patrons, advisors and (he members of the
Committee, shall be appointed or elected, The term of office
of the ollice bearers shall be for a period of three years and
any such office bearer, patron or advisor shall be eligible for
20 re-appointment or re-election after lapse of the said period
of three years.

(c) Appointing or electing of a member for a vacancy
30 occurring in the Committee shall be done at an Annual
General Meeting.

(d) The persons elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

5 **6.** Subject to the provisions of this Act and any other written law, the body corporate shall have the power to do, perform and execute the following acts for the achievement of the objects of the body corporate:-

Powers of
the body
corporate

10 (a) subject to any restrictions whether now existing or as may from time to time be imposed by law, to purchase, buy, rent, take on lease or exchange, hire or otherwise, acquire any movable or immovable property that include lands, buildings, vehicles, equipment and machinery, assets, securities, facilities and any rights licenses or privileges in Sri Lanka or elsewhere and manage, improve, develop and dispose of the same in whole or in part by virtue of sell, mortgage, lease, exchange or otherwise for the attainment of the objects of the body corporate and to create any depreciation fund, reserve or sinking funds for these purposes subject to the discretion of the Committee of the body corporate:

25 Provided that, in case the body corporation shall take or hold any property which may be subject to any trusts, the body corporate shall only deal with or invest the same in such manner as allowed by law, having regard to such trust and in the case of body corporate shall take or hold any property, it shall not sell, mortgage, charge or lease the same without the prior written authority, approval or consent of the Registrar of Companies or without the authority, approval or consent as may otherwise be required by law. The Committee of

(b) to erect, construct, enlarge, develop, alter and maintain any buildings, roads, plant, machinery and any assets as may be necessary or convenient;

(c) to borrow or raise money in any manner with or without securities and to accept and raise funds by way of subscriptions, grants gifts, donations, endowments, beneficinations in cash or kind in movable or immovable property from an individual, organization or special trust in favour or furtherance of any of the objects of the body corporate:

Provided that, the Committee shall obtain the prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations made to the body corporate and in case the body corporation shall take or hold any property which may be subject to any trusts, the body corporate shall only deal with or invest the same in such manner as allowed by law, having regard to such trust;

(d) to make payments, guarantee or indemnify, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable or transferable instruments or securities and to open, operate and maintain bank accounts of every description in Sri Lanka and elsewhere and to give donations, gifts, subsidies, assistance and other aid to any individual, organization or special trust in the furtherance of the objects of the body corporate:

5 Provided that, the body corporate shall not
support with its funds any object, or endeavour
to impose on or procure to be observed by its
members or others, any regulation, restriction or
condition which if an object of the body corporate
would make it a Trade Union and in case of body
corporation deal with or dispose of any property
which may be subject to any trusts, the body
corporate shall only deal with or invest the same
10 in such manner as allowed by law, having regard
to such trust;

15 (e) to invest the moneys that are not immediately
required for the purposes of the body corporate,
in investments, securities or property as may be
thought fit subject to the conditions as may for the
time being be imposed or required by law;

20 (f) to undertake and execute any trusts which may
seem directly, or indirectly conducive to any of the
objects of the body corporate either gratuitously or
otherwise:

25 Provided that, in case the body corporate shall
take or hold any property which may be subject to
any trusts, the body corporate shall only deal with
or invest the same in such manner as allowed by
law, having regard to such trust;

30 (g) to enter into agreements or contracts of whatever
nature with whom so ever in Sri Lanka or abroad
for the attainment promotion of the objects of
the body corporate and to obtain approvals,
licenses, concessions, privileges and grants from
Government, Provincial Councils, Local bodies or
any other Authority as may be necessary;

- (h) to employ, appoint, engage, remunerate, grant pensions, gratuities and dismiss officers and staff as may be necessary for the operation, development and management of the body corporate;
- 5 (i) to pay all expenses for the formation, promotion and management of the body corporate;
- (j) to train or cause to be trained in Sri Lanka or abroad at the cost and expense of the body corporate, any person whosoever for the purposes or benefit of the
- 10 body corporate;
- (k) to sponsor and conduct exhibitions, functions, conferences, seminars, workshops, group studies, lectures and promotional activities in Sri Lanka or elsewhere for the attainment of the objects of the
- 15 body corporate;
- (l) to print, publish, distribute books, journals, leaflets, newspapers, magazines that the body corporate may consider desirable for the promotion and advancement of its objects;
- 20 (m) to grant fellowships, scholarships, prizes, bursaries and other awards and to undertake researches for carrying out the purposes and activities of the body corporate;
- (n) to provide board and accommodation, other facilities and grants to those engaged in the furtherance of any of the objects and in the service of the body corporate;
- 25
- (o) to collaborate, amalgamate, participate, promote aid or establish any other institutions or organizations having similar objects of the body corporate;
- 30

5 (p) to defend, intervene in and compromise in legal proceedings against the body corporate and its officers and institute or conduct legal proceedings against other parties, whoever challenge the body corporate or official acts of its officers; and

 (q) to perform in Sri Lanka or elsewhere any acts, deeds and things as may be necessary, incidental or conducive to the attainment of the objects of the body corporate establish branches in Sri Lanka.

10 7. (1) It shall be lawful for the body corporate, from time to time, at any general meeting of the body corporate and by a majority of not less than two thirds of the members present and voting and on the final decision of the Committee, to make rules, not inconsistent with the provisions of this Act
15 or any other written law, for the following matters:—

Rules of
the body
corporate

20 (a) admission of members into the body corporate on the discretion of the Committee, their withdrawal, expulsion or resignation, classification of membership, voting rights and responsibilities of the members, determine the terms and conditions for membership and fees payable by the members;

25 (b) the election of the office bearers of the Committee, vacation or removal of the office bearers and the powers, functions and duties of the office bearers of the body corporate;

 (c) the terms and conditions of appointment, powers, functions and duties of various officers, and servants of the body corporate;

(4) The members of the body corporate shall at all times be subject to the rules of the body corporate.

5 **8.** The Committee shall maintain a register of members in which name, address and other essential details of the members, a register of appointments of the members of the Executive Committee, participation of the members of the Executive Committee in its meetings or general meetings and resolutions passed in those meetings and other essential information related thereto shall be inscribed.

Register of
members and
other registers

10 **9.** (1) The body corporate shall have its own Fund.

Fund of the
body corporate

15 (2) All monies received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall, subject to the provisions of section 6(d), be deposited in one or more banks approved by the Committee to the credit of the body corporate.

20 (3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

(4) However, no payment or support shall be made out of the fund of the body corporate to the Members of the body corporate or to others to promote the objects of the Trade Unions.

25 (5) The Committee may set aside out of the funds of the body corporate, as Reserve Fund or Sinking Fund in order to meet contingencies, repairing, improving or maintaining of the properties of the body corporate or any other purposes purposed by the Committee think fit conducive to the welfare of the body corporate.

30

10. (1) The financial year of the body corporate shall be from First day of April to Thirty First day of March of the following year. Accounts and the auditing

5 (2) True accounts shall be kept in sums of monies received and expended by the body corporate and the manner in respect of which such receipt and expenditure takes place, and the property, credits and liabilities of the body corporate.

10 (3) Subject to any reasonable restrictions as to the time and manner of inspection of the same that may be imposed in accordance with this Act for the time being, Accounts of the body corporate shall be open to the inspection of the members, once at least in every year.

15 (4) Subject to sections 156 to 158 of the Companies Act, the accounts of the body corporate shall be examined and the correctness of the balance sheet shall be certified annually by the Auditor-General or a qualified auditor appointed by Auditor-General in terms of provisions of Article 154 of the Constitution.

20 (5) For the purposes of this section, “qualified auditor” means -

25 (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such institute; or

30 (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such institute.

(6) A copy of Balance Sheet and Income and Expenditure Account which is to laid before the Annual General Meeting of the body corporate, together with a copy of the auditor's report shall be sent to every member of the body corporate,
5 not less than twenty one days before the date of the meeting.

11. (1) The Committee shall prepare a report of the Annual Report activities of the body corporate for each financial year and submit such report together with the audited statement of accounts and a list of all assets and liabilities of the body
10 corporate certified by the Auditor-General or a qualified auditor referred to in section 10 of this Act, to the Ministry of the Minister assigned the subject of Social Service under Article 44 or 45 of the Constitution and to the Registrar of Voluntary Social Service Organizations appointed under the
15 Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the
20 foreign and local monies received by the body corporate, the details of all contracts and agreements entered into by the body corporate and the rules of the body corporate made under section 7 of this Act, during the financial year shall be attached to the report referred to in subsection (1).

12. All debts and liabilities of the Foundation existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Foundation on that day shall be
25 paid to the body corporate for the purposes of this Act.

Debts due by and payable to the foundation

13. (1) Subject to the provisions of this Act and any other written law, the Committee of the body corporate shall vested with power to take, hold and use of any property, movable or immovable for the purposes of this Act and
5 to sell, mortgage, lease, exchange or otherwise dispose of the same subject to the rules made under section 7 of this Act. All deeds, agreements, leases, releases, mortgages and documents relating or affecting to the properties or interest in this regard shall be taken and stand in the name
10 of the body corporate and on behalf of the body corporate, those documents shall be executed by two Members of the Committee, whom are authorized by a resolution of the Committee of the body corporate.

Body
corporate may
hold property
movable and
immovable

(2) Provided notwithstanding to subsection (1), in the case
15 if body corporate shall take or hold any property which may be subject to any trusts, the body corporate shall only deal with or invest the same in such manner as allowed by law, having regard to such trust and the body corporate further shall not sell, mortgage, charge or lease any of its property,
20 without the prior written authority, approval or consent of the Registrar of Companies and without such authority, approval or consent as may otherwise be required by law.

14. The income and the property of the body corporate whenever derived, shall be applied solely towards the
25 promotion of the objects of the body corporate, and no portion thereof shall be paid to or transferred directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the body corporate:

Application of
moneys and
property

Provided that nothing herein shall prevent the payment, in
30 good faith, of reasonable and proper remuneration, in return for any services actually rendered to the body corporate by its any official or servant other than the members of its

Executive Committee or Governing Body, nor prevent the payment of interest at a rate not exceeding the rate authorized by the Central Bank for the time being, on money lent or reasonable and proper rent for the premises leased or let by
5 any aforesaid member of the body corporate. No member of the Council of Management or Governing Body of the body corporate shall be paid a salary, fee, remuneration or other benefit in money or money's worth, other than repayment of out of pocket expenses, interest at the rate aforesaid on
10 money lent and reasonable and proper rent for the premises demised or let to the body corporate:

Further provided that the aforesaid provision shall not apply for any payment to any company which is a member of the Executive Committee or Governing Body and whom do
15 not hold more than one hundredth part of the capital and do not bound to account for any share of profits that company may receive in respect of such payment.

15. The Seal of the body corporate shall not be affixed to any instrument except in the presence of, two members
20 of the Committee, one Member of the Committee and the Secretary or a person appointed for the purpose under the authority or resolution of the Committee, and that member of the Committee, the Secretary or other person as aforesaid shall sign every instrument to which the Seal of the body
25 corporate is so affixed in their presence.

Seal of the
body
corporate

16. (1) If upon the winding up or dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members of the body
30 corporate but shall be given or transferred to any other organization having objects similar to the objects of the body corporate and which is by the rules thereof, prohibited from distributing any income or property among its members.

Property
remaining on
dissolution

(2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate, with the approval of the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980, immediately before the time of dissolution and at a general meeting by the majority of votes of the members present.

(3) Where the body corporate has been dissolved in default thereof the subsection (2) above, a Judge or any prescribed authority having the Jurisdiction in regard to charitable funds, shall proceed in respect to the remaining property and transfer the said property to an appropriate institution or institutions.

17. Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate.

Saving of the Rights of the Republic and others

18. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to prevail in case of inconsistency

