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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2051/16 – 2017 දෙසැම්බර් මස 27 වැනි බදාදා – 2017.12.27

No. 2051/16 – WEDNESDAY, DECEMBER 27, 2017

(Published by Authority)

PART IV (A) – PROVINCIAL COUNCILS

Provincial Councils Notifications

NORTH CENTRAL PROVINCIAL COUNCIL

North Central Province

Pawnbrokers Statute No. 03 of 2017

The aforesaid passed by the North central Provincial Council of
Sri Lanka Democratic Socialist Republic & the assent by the
Hon. Governor on 14th December 2017 is hereby, there,
published by me for information.

H. L. S. WIJESINGHA,
Secretary,
North Central Provincial Council.

North Central Provincial Council,
19th December 2017.



North Central Province Pawnbrokers statute No. 03 of 2017

**A STATUTE TO PROVIDE FOR THE REGULATION OF THE BUSINESS OF PAWNBROKERS
WITHIN THE NORTH CENTRAL PROVINCE AND FOR MATTERS CONNECTED
THEREWITH OR INCIDENTAL THERE TO. THIS STATUTE IS INCONSISTENT
WITH THE PROVISIONS OF PAWNBROKERS ORDINANCE (CHAPTER 90)**

BE it enacted by the NORTH CENTRAL Provincial Council of the Democratic Socialist Republic of Sri Lanka as follows:-

Short title and
date of operation

1. This Statute may be cited as the Pawnbrokers Statute No. of 2017 of the Provincial Council of the North Central Province of Sri Lanka (hereinafter referred to as "the Statute") and shall come into operation on the date of the certification of the Statute by the Governor of the North Central Province (hereinafter referred to as "the Governor").

Applicability of
the Statute.

2. The Provisions of the Statute shall apply to the business of pawnbrokers carried on by any person other than banks within the North Central Province.

PART I

REGISTRATION AND LICENSING

Registration of a
pawnbroker.

3. No. person shall carry on the business of a Pawnbroker unless such person is registered as a pawnbroker with the Provincial Commissioner of Revenue of the North Central Province (hereinafter referred to as "the Provincial Commissioner of Revenue").

Application for
registraion.

4. (1) Every person who desires to carry on the business of a pawnbroker shall apply for registration on a prescribed form with the prescribed fee to the Provincial Commissioner of Revenue:

Provided however, an individual who is not a citizen of Sri Lanka or a foreign company or a foreign firm shall be disqualified to apply for registration.

Application for
licence and the
processing of
such application.

6. (1) Every application for a licence under section 5 shall be made in the prescribed form to the Provincial Commissioner of Revenue.

(2) Every application submitted under subsection (1) shall contain complete and accurate information of all required particulars and be accompanied by the prescribed fee.

(3) (a) Where a business of a pawnbroker is carried on by an individual and he intend to convey such business to a person upon his death, such individual shall subject to the provisions of section 4, nominate such substitute.

(b) A document containing rights and obligations of such nominated person shall be accompanied with the application under subsection (1). Such document shall be signed by both parties.

(4) Where a business of a pawnbroker is carried on by any body of persons corporate or unincorporate, such body of persons shall submit a copy of the certificate or agreement to that effect.

(5) Upon having considered the information and particulars contained in an application submitted under subsection (1), where the Provincial Commissioner of Revenue is satisfied that the applicant has fulfilled the requirements as prescribed pertaining to suitability to be issued with a licence under section 4, he shall issue such licence in Form 'A' set out in the Schedule I.

(6) An application found to contain false, misleading or incorrect information or particulars shall be rejected.

7. (1) Every pawnbroker shall immediately after the receipt of licence but before the commencement of the business of a pawnbroker, deposit the prescribed amount as security in a prescribed manner with the Provincial Commissioner of Revenue. Security

(2) In an event of closure of conveyance of business, the sum deposited in terms of subsection (1) shall be refunded to such pawnbroker after the deduction of any amount payable to a pawner of articles by such pawnbroker.

8. A licence issued under section 6, shall -

Form and duration of a licence.

(a) be subject to such terms and conditions as specified in the licence;

(b) become operative on such date as specified in the licence; and

(c) unless earlier revoked, be in force for the period as specified in the licence.

9. (1) A licence may be renewed upon an application being submitted for that purpose to the provincial Commissioner of Revenue in the prescribed form accompanied by the prescribed renewal fee, not less than thirty days prior to the date of expiration of the licence.

Renewal of a Licence.

(2) A copy of annual statement of accounts of the business of such pawnbroker for the financial year immediately preceding shall be annexed to the application for renewal of licence made under subsection (1).

(3) The Provincial Commissioner of Revenue may renew a licence on receipt of an application under subsection (1), where -

(a) the licensee has not violated or done anything in contravention of the terms and conditions of the licence issued;

(b) the licensee has not contravened any provision of the Statute or any regulations made thereunder; or

(c) in the opinion of the Provincial Commissioner of Revenue the shop or place in which that person intends to carry on the business of a pawnbroker, or any adjacent house or place possessed by him, is suitable for carrying on the business of a pawnbroker.

(4) The provisions of section 7 shall apply in respect of a licence renewed under this section.

10. A licence may be suspended by the Provincial Commissioner of Revenue where -

Suspension of a licence

(a) the licensee has been charged for the commission of an offence under the Statute or any regulations made thereunder; or

(b) the licensee has contravened any provision of the Statute or any regulations made thereunder and the severity of such contravention does not warrant a cancellation of the licence.

11. A license shall be cancelled by the Provincial Commissioner of Revenue where -

Cancellation of a licence.

- (a) it is found that the licence had been obtained by providing false, misleading or inaccurate information;
- (b) the licensee has kept stolen goods;
- (c) the licensee has been convicted for an offence under any written law;
- (d) the licensee has contravened any provision of this Statute or any regulation made thereunder; or
- (e) the licensee has acted in contravention or in violation of any term or condition subject to which such licence was issued.

Reasons to be
Communicated.

12. (1) Where an application for the issue or renewal of a licence has been refused, the reasons for such refusal shall be recorded by the Provincial Commissioner or Revenue. The Provincial Commissioner of Revenue shall inform the applicant within a period of thirty days of such refusal by a written communication sent under registered post.

(2) Where a licence is suspended or cancelled as the case may be, it shall be the duty of the provincial Commissioner of Revenue to inform forthwith the licensee of such suspension or cancellation, by a written communication sent under registered post.

Appeals

13. (1) Any person aggrieved by a decision refusing the issue or renewal, of a licence or the Suspension or cancellation of a licence issued, may, within three months of the date of receipt of the written communication informing such person, of such refusal, suspension or cancellation, appeal against such decision to the Chief Secretary of the Province (hereinafter referred to as "the Chief Secretary").

(2) The decision on any appeal submitted under subsection (1) shall be made within sixty days of the receipt of such appeal and the person making such appeal shall be informed of the decision made on it.

(3) The Chief Secretary may hold an inquiry on any appeal made to him under subsection (1).

(4) The decision of the Chief Secretary on any appeal made under this section shall be final.

Duty to inform
the
superintendent
of
Police.

14 (1) The Provincial Commissioner or Revenue shall forward a copy of the license issued under section 6 to the Superintendent of Police in charge of the area within which such business of a pawnbroker is intended to be carried on.

(2) It shall be the duty of the Provincial Commissioner of Revenue to inform any suspension or cancellation of licence under section 10 or 11 as the case may be, to the Superintendent of Police in charge of the area within which such business of a pawnbroker was carried on.

Transfer of
licence without
prior approval of
the Provincial
Commissioner of
Revenue.

15. The holder of a licence issued under section 6 shall not transfer the license to any person without the written approval of the Provincial Commissioner of Revenue.

16. The Provincial Commissioner of Revenue shall annually publish in the *Gazette*, a notice containing, names of licenced pawnbrokers, names of the places of business and the addresses of the premises where the business of pawnbrokers is carried on. Publication of details of the licensees.

PART II

POWERS, FUNCTIONS AND DUTIES OF PAWNBROKERS

17. Every pawnbroker who intends to leave Sri Lanka for any period exceeding three months shall- Notice of absence from Sri Lanka.
- (a) give a written notice of his absence to the Provincial Commissioner of Revenue and obtain written approval of such Commissioner;
 - (b) nominate a person to carry on the business during his absence.
18. No pawnbroker shall accept any article for pawning before 8.00 a.m. and after 8.00 p.m. on any day. Business hours of a Pawnbroker.
19. No pawnbroker shall carry on the business of an auctioneer. Pawnbroker not to act as an auctioneer.
20. Every pawnbroker shall - Notices to be exhibited by Pawnbroker.
- (a) display in legible characters over the outer door of his shop or place of business, the name of his business licence registration number and the word “Pawnbroker” in Sinhala, Tamil and English; and
 - (b) display in a conspicuous place of his business, place in a notice in Sinhala, Tamil and English containing particulars set out in the Schedule - II.
21. (1) Where any particulars in any book, data, form or document are required to be entered by the Statute, such particulars shall be entered in Sinhala, Tamil or English language. Book, data, form or document to be kept by pawnbrokers.
- (2) Every pawnbroker shall maintain a Pledge Book in Form “B” and a Sale Book of Pledges in Form “C” as Set out in the Schedule -I.
- (3) It shall be the duty of the Pawnbroker to submit the documents set out in Sub section (2) to the Provincial Commissioner of Revenue if required to do so.
22. (1) Every pawn receipt shall be executed in Form “D” as set out in the Schedule - I. Pawn receipt.
- (2) The particulars specified in the Schedule- II to this Statute shall be printed legibly in Sinhala or Tamil on the reverse of the Form “D” as set out in the Schedule - I.
- (3) Where a pledge is pawned, the foil of the pawn receipt relating to such pledge shall bear the stamp duty to the prescribed value in the receipt. The expense incurred in providing such stamps shall be borne by the pawnbroker.

(4) Where any article is delivered for pawn, -

- (a) the pawner shall sign the counter foil of the pawn receipt;
- (b) the pawnbroker shall sign the original foil of the pawn receipt and give the counter foil to the pawner;
- (c) the pawner shall accept the original and counter foil;
- (d) the pawner shall be given the original foil of the pawn receipt; and
- (e) annual interest shall be specified in the pawn receipt.

Interest.

23. No pawnbroker shall charge an interest exceeding the rates specified in the Schedule - II:

Provided that where business turnover tax is payable in respect of a loan given on a pledge, nothing included in the preceeding provisions of this section shall be deemed to prohibit the pawnbrokers from recovering such tax from the pawner.

PART III

PLEDGES

Period of redemption.

24. Every pledge shall be redeemable within a period of twelve months (hereinafter referred to as the "period of redemption") from the day of pawning, exclusive of that day.

Pledges continue to be redeemable until sale.

25. Notwithstanding anything in the Statute to the contrary, every pledge shall continue to be redeemable, until it is disposed of as, provided in the Statute, although the period of redemption has expired.

Procedure for redemption of a pledge.

26. (1) The pawner shall be entitled to redeem a pledge, if he surrenders to the pawnbroker the original foil of the pawn receipt relating to that pledge and signs foil in the presence of the pawnbroker of his agent or servant.

(2) A person other than the pawner shall be entitled to redeem a pledge, if such person surrenders to the pawnbroker the original foil of the pawn receipt relating to that pledge duly endorsed with the signature of the pawner and if such person signs such foil in the presence of the pawnbroker or his agent or servant.

(3) Where by reason of the death or a disability of the pawner, the holder of the original foil of the pawn receipt relating to the pledge claims to be entitled to redeem that pledge, but is unable to surrender to the pawnbroker the original foil of the pawn receipt duly endorsed and signed by the pawner, the pawnbroker shall permit the pledge to be redeemed, if such holder of the original foil of the pawn receipt, surrenders to him the said original foil of the pawn receipt relating to that pledge together with a declaration in the Form "E" set out in the Schedule - I, duly signed before a Justice of Peace or a Commissioner for Oaths.

(4) Subject to the provisions of Subsections (1), (2) and (3) the pawnbroker shall, on payment of the loan, the interest due thereon, and the business turnover tax, if any, payable in respect of such loan, deliver the pledge to the pawner or holder of the pawn receipt relating to the pledge and the pawnbroker is hereby indemnified in respect of such delivery of the pledge:

Provided however, if the pawnbroker has reason to suspect that such holder has obtained the possession of the original foil of the pawn receipt illegally, the pawnbroker shall immediately inform such fact to the nearest police station.

<p>27. If a person entitled and offering to redeem a pledge shows to the satisfaction of a civil court that the pledge has become, or has been rendered, of less value than it was at the time of pawning thereof, by or through the default, neglect of wilfull misbehavior of the pawnbroker, the court, if it thinks fit, award a reasonable compensation, to the satisfaction of the owner of the pledge and the amount of compensation shall be deducted from the amount payable to the pawnbroker, or shall be paid by the pawnbroker, in such manner as the Court may direct.</p>	<p>Compensation for depreciation of pledge.</p>
<p>28. (1) Any person claiming to be the owner of a pledge, but not holding the original foil of the pawn receipt, or any person claiming to be entitled to hold the original foil of the pawn receipt, but who alleges that the original foil of the pawn receipt has been lost, stolen, mislaid, destroyed or fraudulently obtained from him, may furnish to the pawnbroker a declaration in the Form “F” set out in the Schedule - I duly made before a Justice of Peace or a Commissioner for Oaths:</p>	<p>Protection of owners and of pawner not having receipt.</p>
<p>Provided that for the purpose of redeeming a pledge, he shall sign the counter foil of the pawn receipt and not the original foil of the pawn receipt thereof as required by Section 26.</p>	
<p>(2) The pawnbroker is hereby indemnified for delivering the pledge or otherwise acting in conformity with the declaration, unless he has actual or constructive notice that the declaration is fraudulent or false in any material particular.</p>	
<p>29. (1) Where the original foil of the pawn receipt is surrendered to the pawnbroker for the purpose of redeeming a pledge, the pawnbroker shall retain in his possession the original foil of the pawn receipt and the counterfoil of the pawn receipt for a period of two years reckoned from the date of the redemption of that pledge.</p>	<p>Pawn receipt to be retained by the pawnbroker after redemption or sale of pledge.</p>
<p>(2) Where a pledge is redeemed without the surrender of the foil of the pawn receipt relating to the pledge, the pawnbroker shall retain in his possession for a period of two years reckoned from the date of the redemption of that pledge the counterfoil of the pawn receipt relating to the pledge and the declaration furnished to him under Section 28.</p>	
<p>(3) Where a pledge is sold under the provisions of the Statute, the pawnbroker shall retain in his possession the counterfoil of the pawn receipt relating to the pledge for a period of twelve months reckoned from the date of sale.</p>	
<p>30. (1) Where a pledge is lost, or destroyed or damaged by or in consequence of fire, natural disaster or any other consequence, the pawnbroker shall be liable on demand within the period of redemption to pay the market value of the pledge, after deducting the amount of loan and interest, and business turnover tax if any, payable in respect of such loan.</p>	<p>Liability of Pawnbroker in case of loss of pledge by fire, natural disaster or any other consequence.</p>
<p>(2) Every pawnbroker shall have his business insured to the full extent of the value of the articles pawned.</p>	
<p>(3) Every pawnbroker shall take necessary steps to store the pawned articles in a safe manner.</p>	
<p>31. In any circumstance set out in Section 30 or where a person ceases to carry on the business of a pawnbroker, the amount of security furnished by him less any sum applied therefrom to the payment of such compensation shall be returned to him.</p>	<p>Return of security furnished by Pawnbrokers.</p>
<p>32. Every pawnbroker shall, at the time of redemption of the pledge, issue a receipt for the amount of loan and interest paid to him and the taxes if any recovered by him and preserve a copy of such receipt with the pledge book. Such receipt shall be in the Form “G” set out in the Schedule - I.</p>	<p>Receipt of pawnbroker.</p>

Pledges to be sold by auction.

33. (1) Every pledge which is not redeemed within the period of redemption may be disposed by sale in a public auction, and regulations in the Schedule - III.

(2) Where a pledge is to be sold by public auction, the pawnbroker shall give sixty days' notice in writing to the Provincial Commissioner of Revenue of the date and time fixed for such sale and the place where such sale is to be held. The Provincial Commissioner of Revenue shall inform his decision to the pawnbroker twenty one days prior to such sale.

(3) Where a pledge of a pawnbroker is to be sold, the pawner shall be informed by registered post fourteen days prior to the sale.

Procedure on sale of pledge for more than the amount of the loan, interest and business turnover tax.

34. (1) Where a pledge is sold for a sum more than the amount of the loan and interest due on the date of sale and any tax payable in respect of such loan, the pawnbroker shall -

- (a) inform the pawner of such pledge, the amount for which the pledge was sold, and of the amount lying to the credit of the pawner after deducting the necessary costs and charges of the sale;
- (b) on demand made within one year from the date of such sale, pay to the holder of the original foil of the pawn receipt relating to that pledge the amount lying to the credit of the pawner; and
- (c) if no such demand is made within the period of one year from the date of such sale, deposit such sum of money lying to the credit of the pawner to the Provincial Commissioner of Revenue.

(2) The pawner shall be informed immediately after the money is deposited with the Provincial Commissioner of Revenue.

(3) Where the pawner makes a request to the Provincial Commissioner of Revenue within a period of two years from the date of sale, the latter shall take necessary steps to pay such amount within a period of thirty days to the holder of the original foil of the receipt.

(4) Where no such request is made within a period of two years under Subsection (3), such amount of money shall be transferred to the North Central Provincial Council Fund (hereinafter referred to as "the Fund").

(5) No request shall be entertained upon the expiry of period of two years from the date of sale.

Purchase of pledges by pawnbroker.

35. A pawnbroker may bid for and purchase at a sale by auction, a pledge pawned with him, and on such purchase, he shall be deemed to be the absolute owner of such pledge purchased.

Part IV

INSPECTION, EXAMINATION AND SEIZURE

Inspection of Business.

36. The Provincial Commissioner of Revenue or Provincial Deputy Commissioner of Revenue or an assessor authorized by the Provincial Commissioner of Revenue in writing shall have the authority to inspect the accounts of the business of a pawnbroker.

37. At any time within two years from the date on which a pledge is sold under the provisions of the Statute, the holder of the original foil of the pawn receipt may inspect the entries of the sale in the pawnbroker's book or in the catalogue containing information about the auction sale authenticated by the auctioneer. The pawnbroker shall permit the holder of the original foil of the pawn receipt to inspect the entries of the sale in such book or in the catalogue.
- Power of inspecting sale book.
38. Where any person –
- (a) who offers to a pawnbroker an article by way of pawn, refuses or is unable to produce the National Identity Card, Passport or Driving Licence; or
- (b) who offers to a pawnbroker an article by way of pawn, refuses or is unable to provide a satisfactory account of the means by which he became in possession of it; or
- (c) willfully gives false information to a pawnbroker; or
- (d) attempts and endeavors to redeem a pledge not being entitled to redeem; or
- (e) offers to a pawnbroker an article by way of pawn and the pawnbroker has reason to suspect that it has been stolen or otherwise illegally obtained.
- Proceedings where persons offering articles in pawn do not give a good account of themselves.

the pawnbroker may inform such fact to the nearest police station.

39. (1) It shall be lawful for any officer authorized by the Provincial Commissioner of Revenue to enter any pawnbroker's shop or place of business or residence at any hour of the day and examine and take note of any article pledged with the pawnbroker or any books and documents maintained by him. If the Provincial Commissioner of Revenue is of the opinion that the assistance of the police is necessary, a police officer may accompany the officer or officers so authorized.
- Power to search pawnbroker's shop or residence.

- (2) No person shall resist any such officer in the execution of such duties.

Part V

OFFENCES AND PENALTIES

40. Every person who –
- (a) offers to a pawnbroker an article by way of pawn, but refuses or is unable to give a satisfactory account of the means by which he became possessed of such article; or
- (b) without lawful excuse, pawns with pawnbroker any article of another person; or
- (c) attempts or endeavours to redeem a pledge not being a person entitled to redeem such pledge; or
- (d) makes a false declaration under the Statute; or
- (e) contravenes any provision of the Statute or fails to do anything which he is required to do by the Statute,
- shall commit an offence.
- Offences by pawners and other persons.
41. Every pawnbroker who –
- (a) accepts an article in pawn from any person appearing to be under the age of eighteen years;
- Offences by pawnbrokers

- (b) accepts an article in pawn without giving the original foil of the pawn receipt;
- (c) purchases or takes in pawn or exchange the original foil of the pawn receipt issued by another pawnbroker;
- (d) employs any servant under the age of eighteen years to accept an article in pawn;
- (e) purchases, except at a sale by public auction under the Statute, any pledge while in pawn with him;
- (f) offers any pledge while in pawn with him to be redeemed with a view to purchasing it;
- (g) agrees with any person, pawning or offering to pawn any article, to purchase, sell or dispose such article within the period of redemption;
- (h) sells or otherwise disposes of any pledge pawned with him, except at such time and in such manner as is authorized by the Statute;
- (i) makes any false entry in any book required to be kept by him under the Statute or fails to make therein any entry which he is required to make by the Statute;
- (j) fails to have his business insured to the full extent of the value of all articles pawned with him;
- (k) contravenes any provisions of the Statute or fails to do anything which he is required to do by the Statute; or
- (l) fails to forward the annual statement of accounts to the Provincial Commissioner of Revenue under the provisions of the Statute;

shall commit an offence.

Taking in Pawn
linen clothing,
unfinished goods
& c.

42. (1) Every pawnbroker who knowingly accepts in pawn any linen apparel, unfinished goods or materials entrusted to any person to wash, clean, iron, mend, manufacture, work up, finish or decorate shall commit an offence.

(2) Where any court convicts any pawnbroker of an offence under this section, the court may in addition to any other punishment which such court may impose for that offence, order the pawnbroker to restore the pledge to the owner thereof in the presence of court or in any other manner as the court directs.

Pawnbroker
failing to deposit
the amount lying
to the credit of a
pawner.

43. Every pawnbroker who fails to deposit with the Provincial Commissioner of Revenue the amount lying to the credit of a pawner as required by Section 34 shall commit an offence and where any court convicts any pawnbroker for such offence, the court may, in addition to any other punishment which it may impose for that offence, order a sum equal to such amount to be recovered from the pawnbroker as it were a fine imposed by the court. Every such sum of money when recovered by the court shall be deposited in the Fund.

Offences by
servant or agent
of pawnbroker.

44. Anything done or omitted to be done by a servant or agent of a pawnbroker in the course of the business or in relation to the business of a pawnbroker, shall be deemed to be done or omitted, as the case may be, by the pawnbroker:

Provided however, where in the absence of a pawnbroker from the shop or place of business, anything is done or omitted to be done by any servant or agent of the pawnbroker in contravention of any provision of the Statute, such servant or agent shall commit an offence.

45. (1) Every person who commits an offence under the Statute shall be liable to a fine not exceeding two hundred thousand rupees or imprisonment for a period not exceeding six months or to both such fine and imprisonment. Penalty.

(2) The fine charged and collected by a Court under subsection (1) shall be credited to the Fund.

46. Whenever it is reported to a court in any proceeding filed under the Statute that a pawnbroker is in unlawful possession of an article, it shall be competent to such court to order the production of the article and its delivery to any person named by such court, under such terms, if any, as it may think proper. Articles unlawfully possessed by a pawnbroker.

PART VI

GENERAL PROVISIONS

47. (1) The business of a pawnbroker, upon this death, shall, subject to the provisions of section 4 of the Statute, be conveyed to the person nominated under section 6. Nomination.

(2) Where a nominated person predeceases the pawnbroker and no person is nominated by such pawnbroker, upon the death of such pawnbroker, the Provincial Commissioner of Revenue shall appoint a person to liquidate the business of pawnbroker.

(3) (a) Where a pawnbroker is unable to carry on his business owing to any disability or any other reason, such pawnbroker may nominate a person. Such nomination shall be made subject to the provisions of section 4.

(b) the Provincial Commissioner of Revenue may register such nominee.

(4) Where the business of a pawnbroker is conveyed under subsection (i) or (3), the Provincial Commissioner of Revenue shall, upon being satisfied, issue a licence to such nominee to whom the assets and liabilities have been conveyed.

(5) Where the business of a pawnbroker is to be carried on by partnership, the partnership agreement shall consist of such provisions to protect the rights of pawnbrokers in case of liquidating such business.

48. (1) Where any pawnbroker intends to convey his business of pawnbroking such pawnbroker shall make a written request to the Provincial Commissioner of Revenue accompanied by – Conveyance of business of a pawnbroker.

(a) a certificate from the officer in charge of the police station where the person to whom such business is intended to be conveyed (hereinafter referred to as “the conveyer”) resides to the effect that there are no complaints against him;

(b) an affidavit to the effect that there is no criminal proceeding in court against the pawnbroker and the conveyer; and

(c) all information in respect of all pledges to be redeemed and any other information necessary.

(2) The pawnbroker who has made the request under subsection (1) shall not accept any article in pawn from the date of such request.

(3) Upon the request made under subsection (1), such pawnbroker shall, within a period of one week publish a notice containing the name, address and National Identity Card number of the conveyer in a daily newspaper in Sinhala, Tamil and English languages.

(4) The notice referred to in subsection (3) shall be affixed in a conspicuous part of the palce of business.

(5) The Provincial Commissioner of Revenue shall, upon being satisfied, issue a licence to the conveyor.

Liquidation of
business of a
pawnbroker.

49. (1) Where any pawnbroker intends to liquidate his business of pawnbroking such pawnbroker shall communicate his intention to the provincial Commissioner of Revenue accompanied by -

- (a) a certificate from the officer in charge of the police station where the business place is situated, and from the officer in charge of the police station where the pawnbroker resides to the effect that there are no complaints against him;
- (b) an affidavit to the effect that there is no criminal proceeding in court against him; and
- (c) all information in respect of all pledges to be redeemed and any other information necessary.

(2) The pawnbroker referred to in subsection (1) shall not accept any articles in pawn from the date of such communication with the Provincial Commissioner of Revenue.

(3) Upon the communication intimated under subsection (1), such pawnbroker shall, within a period of one week publish a notice containing the name, address, National Identity Card number and licence number of the pawnbroker, and the intention to liquidate business of pawnbroker in a daily newspaper in Sinhala, Tamil and English languages.

(4) The notice referred to in subsection (3) shall be affixed in a conspicuous part of the palace of business.

(5) The Provincial Commissioner of Revenue shall nominate an officer under whose supervision such liquidation shall take place.

Default of
payment

50. Where any pawnbroker, who is required in terms of the Statute or any regulation made thereunder to furnish a deposit as security has failed to do so within the specified period, such amount shall be deemed to be a default in the payment which such pawnbroker is liable to pay.

Notice to
pawnbroker who
is in default.

51. (1) Where a pawnbroker makes default in the payment of any sum which he is liable to pay under the Statute, the Provincial Commissioner of Revenue shall before taking proceedings to recover any sum in default in the manner hereinafter provided, issue Notice in the Form "A" set out in Schedule IV together with the required particulars in the Form "B" set out in Schedule IV.

(2) Any pawnbroker who receives the Notice issued under subsection (1) may, within fourteen days of the Notice issued under subsection (1), object to the payment of such sum and the Provincial Commissioner of Revenue shall consider such objection and give his decision thereon which shall be final:

Provided that where the Provincial Commissioner of Revenue is satisfied that owing to illness, absence from Sri Lanka or other reasonable cause, the defaulter under subsection (1) was unable to act within fourteen days of the issue of the Notice, he shall be granted an extension of time.

(3) Upon the lapse of fourteen days of the Notice or decision under subsection (2), where such pawnbroker makes default of any sum which he is liable to pay, the Provincial Commissioner of Revenue shall issue a Report in the Form "C" set out in Schedule IV together with a certified copy of the notice served on the pawnbroker and a certified copy of the particulars issued under subsection (1).

(4) Where a pawnbroker against whom an order or direction has been issued under subsection (3) has failed to comply with such order or direction, such pawnbroker shall commit an offence and shall be liable on conviction after summary trial before a Magistrate to a fine not exceeding ten thousand rupees or to imprisonment of either description for a term not exceeding one year or to both such fine and imprisonment.

(5) The provisions of the Prescription Ordinance (Chapter 68) as amended shall not apply to the recovery of any sums payable as security.

(6) In this section “pawnbroker” includes a director or a principal officer of a company or body of persons or corporate body, or partner of the partnership, or member or an officer-bearer of an unincorporated body.

52. (1) The Provincial Commissioner of Revenue may require any pawnbroker or any servant or agent of such pawnbroker –

The Provincial Commissioner of Revenue may require information.

- (a) to produce specified books, data, accounts, trading lists, stock lists, registers, vouchers, cheque books, pawn receipts, pledge books, audit reports or any other documents mentioned in such notice within a specified period of time;
- (b) to provide any information relating to the business of such pawnbroker;
- (c) to be present at a time, date and place mentioned in the notice, by himself or to be represented by an authorized person to investigate any matter.

(2) When a notice is served upon to furnish information mentioned under subsection (1), it shall be the duty of the pawnbroker or any servant or agent of such pawnbroker to comply with such direction.

(3) The Provincial Commissioner of Revenue may take such books, data, accounts, trading lists, stock lists, registers, vouchers, cheque books, pawn receipts, pledge books, audit reports, or other documents into his custody for a certain period.

53. No prosecution for any offence under the Statute shall be instituted except by or with the written sanction of the Provincial Commissioner of Revenue.

Prosecution.

54. (1) Every pawnbroker or his servant or agent or officer of the business of such pawnbroker and every person, who by reason of his capacity or office, has any access to the records, data, registers, correspondence or any other material of such business shall keep absolute secrecy with regard to the contents.

Secrecy.

(2) Every person referred to in subsection (1) shall not give, divulge or reveal any information regarding such business to any individual, corporation, bank, court, institution, entity, department, official, agent, representative of the Government of Sri Lanka or any other person unless –

- (a) the pawnbroker of such business or pawner of such article gives his permission to do so;
- (b) legal proceedings are instituted by or against such pawnbroker or by or against the pawner ; or
- (c) he is required to do so by any provision of any law.

55. (1) The Minister of the province to whom the subject of finance is assigned, (hereinafter referred to as “the Minister”) may make regulations for the purpose of carrying out or giving effect to the provisions of the Statute.

Regulations.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations for all or any of the following matters –

- (a) all matters in respect of which regulations are required or authorized to be made under the Statute;
- (b) information to be included in any report required to be submitted under the Statute;
- (c) books and registers to be kept and maintained by the Provincial Commissioner of Revenue and particulars to be entered therein;
- (d) registration fees to carry on a business of a pawnbroker ; and
- (e) fees, and security deposit to be furnished by a licence, and the manner of depositing security fees.

(3) All regulations made by the Minister shall be published in the *Gazette* and shall, (within three months of such *gazetting*) be placed before the North Central Provincial Council for approval.

(4) Every regulation which is not approved by the North Central Provincial Council shall be deemed to be rescinded from the date of such disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any regulation shall be deemed to be rescinded shall be published in the *Gazette*.

Deemed to be carrying on the business of a pawnbroker.

56. Any person who purchases, receives or takes in goods and pays, or advances or lends thereon any sum of money under an agreement or understanding expressed or implied, or be from the nature and character of the transaction reasonably inferred that those goods may be redeemed or purchased on any condition, or who maintains a shop for the purchase or sale of goods or for taking goods by way of security for money advanced thereon shall be deemed to be carrying on the pawn business and further every such transaction, article and loan shall be deemed a pawing, pledge and loan within the meaning of the Statute.

Savings

57. (a) Notwithstanding the enactment of the Statute, every regulation made under the Pawnbrokers Ordinance (Chapter 90) No. 13 of 1942 as amended (hereinafter referred to as “the Ordinance”) in force on the date of commencement of the Statute, in so far as such regulation is not inconsistent with the provisions of this Statute shall be deemed to be made under the Statute, and such regulation may be amended, rescinded or altered by regulations made under the Statute;

(b) every licence issued under Section 3 of the Ordinance within the Province on the day preceding the date of operation of the Statute, shall, with effect from the date of operation of the Statute be deemed to be issued under section 6 of the Statute;

(c) all Security furnished by a pawnbroker under section 23A of the Ordinance within the Province on the day preceding the date of operation of the Statute, shall, with effect from the date of operation of the Statute be deemed to be furnished under section 7 of this Statute;

(d) all actions and proceedings instituted by or against the pawnbroker under the provisions of the Ordinance within the Province and pending on the day preceding the date of operation of the Statute shall, with effect from the date of operation of the Statute, be deemed to be actions and proceedings instituted by or against the pawnbroker as the case may be, under the provisions of the Statute and may be continued and completed accordingly; and

(e) all liabilities of the pawnbroker under the pawnbrokers Ordinance within the Province on the day preceding the date of operation of the Statute, shall with effect from the date of operation of the Statute, be deemed to be liabilities of such pawnbroker.

58. In the Statute, unless the context otherwise requires –

Interpretation

“business place” includes a house, store house, shop, company, joint business, partnership business and place where business activities of a pawn broker are carried out and any of the places where such branches of pawnbroking are maintained;

“Chief Secretary” means the Chief Secretary of the North Central Province;

“foreign company” means any company or body corporate incorporated outside Sri Lanka, which has established a place of business of a pawnbroker within Sri Lanka and continues to have an established place of business of a pawnbroker within Sri Lanka;

“Foreign firm” means a firm -

- (i) consisting of two partners, either one of whom is not a citizen of Sri Lanka or both of whom are not such citizens; or

consisting of more than two partners at least one of whom is not a Sri Lankan;

“Pawner” means a person delivering an article for pawn to a pawnbroker;

“Pledge” means an article pawned with a pawnbroker;

“Provincial Commissioner of Revenue of the North Central Province” means the Provincial Commissioner of Revenue appointed for the purpose of the Finance Statute No. 1 of 2014;

“Provincial Deputy Commissioner of Revenue” means the Deputy Commissioner of Revenue appointed for the purpose of the Finance No. 1 of 2014;

“Provincial Council Fund” means the Provincial Fund of the North Central Province established under section 19 of the Provincial Councils Act, No. 42 of 1987;

“Person” includes any body of persons corporate or unincorporate;

“Provincial Council” means the Provincial Council of the North Central Province;

“Citizen of Sri Lankan” means any individual who by birth or law becomes a citizen of Sri Lanka.

59. In the event of any inconsistency between the Sinhala and Tamil texts of the Statute, the Sinhala text shall prevail.

Sinhala text to prevail in the case of inconsistency.

(Section 6)

SCHEDULE I**Form - "A"****LICENCE**

No. :

I, the Commissioner of Revenue of the North Central Province do hereby issue a licence under the provisions of the Pawnbrokers Statute No of 2017 of the Provincial Council of the North Central Province to carry on the business of a pawnbroker at within the limits of in the District. The validity of this licence expires on

Date :

.....

Commissioner of Revenue

(Seal)

(Section 21)

Form - "B"**PLEDGE BOOK**

Pledge Book of

Pawnbroker of

No. and date of the issue of pawn receipts	No. of pledge in the month	Amount of Loan upon each article	Profit of interest charged upon each article	Name of Pawner	Address of Pawner	Name of owner if Pawner is not the owner	Description of each article Pawned	Weight of article or jewelry	Value of each article Pawned	date of redemption	Name and address of person redeeming
		Rs.Cts	Rs.Cts								

Form - "C"

Pledge of Pawnbroker of

Date and Place of Sale:

Name and address of Auctioneer :

No. of Pledge as in pledge Book	Date of Pawning	Name of Pawner	Aomunt of Loan	Amount of interest due	Amount for which pledge was sold by Auctioneer	Name & Address of Purchaser
			Rs. Cts	Rs. Cts	Rs. Cts	

(Section 22)

Form - "D"

PAWN RECEIPT

Counter foil No.

(to be retained by pawnbroker)

Date:-

Name and address of pawnbroker

.....

.....

I,

The undersigned holding National Identity Card No.

..... of (address of Pawner)

.....

.....

.....

have this day pawned with the aforesaid
pawnbroker.....

.....

worth Rs

..... for

Rs.

.....

Signature

(Seal)

Original foil No.

Date:-.....

.....

.....

(Name and address of pawner) has this day pawned
with the undersigned

.....

.....

(Name and address of pawnbroker)

.....

worth Rs for

Rs.....

Signature of Pawnbroker or Servant or Agent of pawn-
broker.

Name

.....

Signature

(Left thumb impression if unable to sign)

(Section 26)

Form - "E"

**DECLARATION WHERE THE FOIL OF THE PAWN RECEIPT IS SURRENDERED UNDER SECTION 26 (3)
WITHOUT THE SIGNATURE OF THE PAWNER ENDORSED THEREON**

I holding National Identity Card No./Passport No.
of in pursuance of the Pawnbrokers Statute No. of 2017 of the provincial Council
of the North Central Province, do solemnly and sincerely declare that pledged at the shop
of, Pawnbroker, the article/articles described below and received the foil of a pawn receipt for the
same and that for the purpose of redeeming the pledge I am unable to surrender the foil of the pawn receipt to the Pawnbroker
with the signature of the said (Pawner) duly endorsed thereon, because the said
..... (Pawner) is dead/under a legal disability (nature of legal disability)

Signature of

The article/Articles above referred to is/are

Iin pursuance of the provisions of the said Statute, do solemnly and sincerely declare
that I know the person making the foregoing declaration to be of
.....

Signature of

Declared before me this day of 20

.....

Justice of Peace/ Commissioner for Oaths.

(Seal)

(Section 28)

Form - "F"**DECLARATION WHERE THE FOIL OF THE PAWN RECEIPT IS LOST ETC.**

Take notice, if this Declaration is false the person making the Declaration is punishable by law.

I holding National Identity Card No./Passport No
 of in pursuance of the Pawnbrokers Statute No. of 2017 of the provincial
 Council of the North Central Province, do solemnly and sincerely declare that pledged at the
 shop of, Pawnbroker, the article/articles described below and received the foil of a pawn receipt
 for the purpose of redeeming the pledge, I am unable to surrender the foil of the pawn receipt to the Pawnbroker, because the
 said foil of the Pawn receipt has been (reason of the inability to produce) since
 and that the foil of the Pawn receipt has not been sold or transferred to any person to the best
 of my knowledge or belief.

Signature of

The article/Articles above referred to is/are

I in pursuance of the provisions of the said Statute, do solemnly and sincerely declare
 that I know the person making the foregoing declaration to be of

Signature of

Declared before me this day of 20

Justice of Peace/ Commissioner for Oaths.

(Seal)

(Section 32)

Form - "G"

RECEIPT

Date

Recived on redemption of Pledge No.

.....

Rs. cts

Amount of Loan

profit of interest

Business Turnover Tax

Total

.....
Pawnbroker's Signature

(Section 20)

SCHEDULE - II

Rate of Interest

the rate of interest shall be for every month or part thereof.

Payment of Tax

Where a tax under any written Law is payable by the pawnbroker on a Loan granted upon a pledge, such tax may be recovered from the pawner.

Restricting recovery of enhanced interest

Where Pawnbroker is entitled to enhanced interest as from any date, such enhanced interest shall not be recoverable, if the pawner shows to the satisfaction of a Civil Court, having jurisdiction, that he failed to redeem the pledge before such date, on account of the reason that the pawnbroker's shop remained closed between 8.00 a.m. and 8.00 p.m. on the day preceding such date.

If the pledge relating to the pawn receipt is not redeemed within a period of twelve months from the day of pawning it is liable to be sold by Public auction.

If there be any surplus profit realized at the sale and is not claimed by the pawner within one year from the date of such sale, the said profit shall be deposited to the credit of the pawner in the Provincial Council Fund.

SCHEDULE - III**Regulations relating to Auction of Pledges.**

- (1) The auctioneer shall cause all pledges to be exposed to public view.
- (2) The auctioneer shall publish catalogues of the pledges containing-
 - (a) the pawnbroker's name and place of the business;
 - (b) the month in which each pledge was pawned; and
 - (c) the number of each pledge as entered in the pledge book at the time of pawning.
- (3) The pledges of each pawnbroker in the catalogue shall be shown separately from any pledges of any other pawnbroker.
- (4) The auctioneer shall give notice of the sale by publishing an advertisement in each of Sinhala, Tamil and English newspapers and notices shall be displayed in public places within the area where the sale is to be held. Such advertisements shall include the following particulars.
 - (a) The pawnbroker's name and place of business; and
 - (b) The months in which the pledges were pawned.
- (5) The advertisement shall be published on two days in the same newspapers, and the second advertisement shall be published at least ten clear days before the first day of sale.
- (6) Whenever a pawnbroker bids at a sale, the auctioneer shall not take the bidding in any other form, than that in which he takes the biddings of other persons at the same sale. When a pawnbroker buys an article the auctioneer shall forthwith declare audibly the name of the pawnbroker as purchaser.
- (7) The auctioneer shall, within 14 days of sale, deliver to the pawnbroker a copy of the catalogue relating to the pledges of that pawnbroker, giving the amount for which the pledges of the pawnbroker were sold, and authenticated by the signature of the auctioneer.
- (8) The pawnbroker shall preserve every such catalogue at least for two years after the auction.

(Section 51)

Schedule IV

Form "A"

The Notice served on the pawnbroker on default of the Deposit

Provincial Commissioner of
Revenue (Office)

.....

Mr/Mrs.

.....

.....

Dear Sir/ Madam,

Name of the pawnbroker :

Address of the place of business :

Default of Deposit as Security

Licence No:.....

It has been found that you have defaulted the payments of deposit in terms of section 50 of the Pawnbrokers Statute No. of 2017 of the Provincial Council of the North Central Province. The particulars connected thereto are shown in Form 2 annexed hereto.

You are kindly requested to inform me without delay whether this deposit has been already paid. If remittances have been made, please provide me with receipts, documents or any letter to that effect. If the payments have not been made, I hereby inform you to pay the full amount as indicated in Form B attached hereto, at the Provincial Commissioner's Office and inform me within next two weeks or please send me a cheque under registered cover for the full amount as indicated in Form B, written in favour of the Provincial Commissioner Revenue within 14 days from receipt of this Notice.

If further information of the particulars attached to this Notice are required by you, such information could be received by written request by you from this office within two weeks from this Notice.

In case there is no written reply for this notice or no response from you to make the payment within next two weeks, you are hereby informed that legal action will be instituted against you in the court for the recovery of the defaulted deposit in terms of the Statute.

Yours faithfully

Provincial Commissioner of Revenue

Provincial Commissioner's Office

..... (Seal)

.....

Date :

Form "B"Particulars required under Section 51(1)

1. Name of the defaulting pawnbroker :
2. Name and address of place of business :
3. Licence Number :
4. Total sum which has been defaulted :
5. The period of default :
6. Any payment made :
7. The balance payment due :

Provincial Commissioner of Revenue

Seal :

Commissioner of Revenue Office

.....
.....

Date:

Form "C"Certificate under Sub-section (3) of Section 51

1. Name of the defaulting pawnbroker :
2. Name and address of place of business :
3. The period of default of Deposit :
4. The aggregate of deposit contributions default :
5. Any payment made :
6. The balance payment due :

Provincial Commissioner of Revenue

Seal :

Provincial Commissioner's Office

.....
.....

Date:

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