



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

FINANCE LEASING (AMENDMENT)

A

BILL

to amend the Finance Leasing Act, No. 56 of 2000

Presented by the Minister of Finance on 23rd of October, 2019

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Ordered by Parliament to be printed

[Bill No. 305]

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STATEMENT OF LEGAL EFFECT

Clause 2: This clause amends section 24 of the Finance Leasing Act, No. 56 of 2000, (hereinafter referred to as the “principal enactment”), and the legal effect of the section as amended is to make provisions enabling a lessor to transfer or assign his rights under the lease to any registered establishment without the consent of the lessee.

Clause 3: This clause amends section 26 of the principal enactment, and the legal effect of the section as amended is to make provisions to require the lessor to have validly perfected his rights under the Secured Transactions Act, No. of 2019 if his rights under the principal enactment are to be enforced against a trustee in bankruptcy of the lessee or a creditor of the lessee.

Clause 4: This clause amends section 27 of the principal enactment, and the legal effect of the section as amended is to make provisions recognizing the right of a lessor who has registered his rights under any finance lease under the Secured Transactions Act, No. of 2019, to recover possession of an equipment.

Finance Leasing (Amendment)

L.D.—O. 66/2017

AN ACT TO AMEND THE FINANCE LEASING ACT, NO. 56 OF 2000

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

1. This Act may be cited as the Finance Leasing (Amendment) Act, No. of 2019 and shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*. Short title and date of operation.
2. Section 24 of the Finance Leasing Act, No. 56 of 2000 (hereinafter referred to as the “principal enactment”) is hereby amended in subsection (1) of that section, by the substitution for the words “A lessor may, with the written consent of the lessee obtained at the time of entering into the finance lease or thereafter, transfer or assign”, of the words “A lessor may transfer or assign”. Amendment of section 24 of Act, No. 56 of 2000.
3. Section 26 of the principal enactment is hereby amended in subsection (1) of that section, by the substitution for the words “an attachment in execution of such equipment.”, of the words and figures “an attachment in execution of such equipment, provided the lessor has validly perfected those rights under the Secured Transactions Act, No. of 2019.”. Amendment of section 26 of the principal enactment.
4. Section 27 of the principal enactment is hereby amended by the substitution for the words “an equipment under this Act or under a provision of a finance lease, may-”, of the words and figures “an equipment under the Secured Transactions Act, No. of 2019 or where there are no competing claimants, under a provision of a finance lease, may-”. Amendment of section 27 of the principal enactment.

5. 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.

