



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

**INSTITUTE OF CHARTERED CORPORATE
SECRETARIES OF SRILANKA (INCORPORATION)**

A

BILL

**to incorporate the Institute of Chartered Corporate Secretaries of
Sri Lanka**

Presented by Hon. M. S. Thowfeek, M. P. on 22nd February, 2017

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*Institute of Chartered Corporate Secretaries of
Sri Lanka (Incorporation)*

AN ACT TO INCORPORATE THE INSTITUTE OF CHARTERED CORPORATE
SECRETARIES OF SRI LANKA

WHEREAS an Institute called and known as the “Institute of Chartered Corporate Secretaries of Sri Lanka” has heretofore been established in Sri Lanka as a company limited by guarantee under the Companies Act, No. 17 of 1982 for the purpose of effectually carrying out and transacting all matters connected with the said Institute according to the rules hitherto in force:

Preamble.

AND WHEREAS the said Institute has heretofore successfully carried out and transacted the several objects and matters for which it was established, and has sought to be incorporated by an Act of Parliament and it will be to the public advantage to grant such 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 Institute of Chartered Corporate Secretaries of Sri Lanka (Incorporation) Act, No. of 2017.

Short title.

2. From and after the date of commencement of this Act, such and so many persons as now are members of the “Institute of Chartered Corporate Secretaries of Sri Lanka” (hereinafter referred to as the “ICCSSL”) and as may be admitted hereafter as members of the aforementioned ICCSSL shall become and continue to be a body corporate with perpetual succession under the name and style of the “Institute of Chartered Corporate Secretaries of Sri Lanka” (hereinafter referred to as “the Institute”) and by that name may sue and be sued with full power and authority to have and use a common seal and alter the such seal at its pleasure.

Incorporation of the Chartered Corporate Secretaries of Sri Lanka.

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3. The general objects for which the Institute is constituted are hereby declared to be—

General
objects of the
Corporation.

- 5 (a) to promote and protect the effective and sustained development of corporate secretaryship, management, governance and related fields of corporate affairs;
- 10 (b) to protect and promote the interests, status, rights and privileges of the profession and its Members and the interests of the public in relation to the profession of corporate secretaries;
- 15 (c) to represent the profession of corporate secretaries in Sri Lanka and elsewhere;
- 20 (d) to advise and communicate with public authorities on matters relating to corporate secretaryship, management and governance and other corporate affairs;
- 25 (e) to facilitate an adequate supply of qualified Chartered Corporate Secretaries who will be qualified in corporate secretaryship, management and governance;
- 30 (f) to establish and maintain the professional qualification relating to corporate secretaryship, management and governance by courses, examinations and otherwise;
- 25 (g) to encourage the study of principles, law and practice relating to and the research into corporate secretaryship, management and governance;
- 30 (h) to prescribe the qualification for and disqualification from membership of the Institute and the standards of professional conduct for members of the Institute and to secure adherence thereto;

- 5 (i) to organise, supervise and control the admission to membership of the Institute; to undertake and regulate the professional education and training in corporate secretaryship, management and governance and related fields; to prescribe and approve courses of study and qualifying examination for membership of the Institute; to conduct or provide for the conducting of such courses and examinations and to collaborate with recognized academic and professional institutions for the furtherance of education and performance development in the related fields;
- 10
- 15 (j) to set and update standards for the education, training, development, professional service and human and technical resources in corporate secretaryship, management, corporate governance and related fields;
- 20 (k) to resolve disputes relating to corporate secretaryship, management and governance and other related matters which may be referred to the Institute;
- (l) to pay due regard to the public interest as well as the interest of bodies corporate and the interest of the corporate secretarial profession.
- 25 **4.** For the purpose of achieving or in furtherance of the general objects of the Institute, subject to the provisions of this Act and any other written law, the Institute shall have the power— Powers of the Corporation.
- 30 (a) to collaborate with, assist, receive assistance from, and develop links with, other persons, agencies and organizations in Sri Lanka or abroad, having objects and function similar to those of the Institute;
- 35 (b) to levy fees subscription or contributions in respect of membership, examination and programmes of the Institute;

5 (c) to organise lectures, seminars, conferences and such like and to publish material and otherwise disseminate knowledge, skills and know-how on corporate secretaryship, management and governance and other related subjects;

(d) to create and offer awards, grant scholarships and prizes for achievements in the field of corporate secretaryship, management and governance;

(e) to establish entities for the purposes of the Institute;

10 (f) to formulate or conduct directly or with others research and development in relation to matters in furtherance of its objectives;

(g) to establish advisory committees as may be necessary for purposes of the Institute to advise the profession or other persons seeking advise or for the purposes of advising the Institute on matters pertaining to the achieving and furthering its objectives or to the exercise, performance and discharge of its powers and function;

15 (h) to appoint, employ, transfer and dismiss, officers and servants and to prescribe their terms and conditions of services;

(i) to borrow any money required for the purposes of the Institute upon such terms as the Institute may think fit, with or without security; and to lend or advance money to members or any entity of the Institute subject to the rules of the Institute;

25 (j) to invest its funds, create and administer trusts and to maintain current or other accounts in any bank or financial institution;

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- (k) to acquire, hold, take or give lease or hire, mortgage, pledge, sell, exchange, or otherwise alienate, encumber or dispose of any immovable and movable property for the purpose of the Institute;
- 5 (l) to accept any gift, endowment or bequest and to carry out any trusts attached to any such gift, endowment or bequest and to contribute to any cause as the Institute may deem fit and to carry out social responsibility activities; and
- 10 (m) to do all other such lawful things as are necessary for, incidental or conducive to the carrying out or attainment of the objects of the Institute or the exercise or discharge of its powers.
- 15 5. (1) The management, control and administration of the affairs of the Institute shall, subject to the provisions of the Act and the rules to be made under the Act, be vested in a governing board of management (hereinafter referred to as “the Board of Management”).
- Management of the affairs of the Corporation.
- 20 (2) The Board of Management shall consist of office bearers including the President and the Secretary and such other members as may be elected or appointed in accordance with the Rules of the Institute, to be made under the provisions of the Section 10 of this Act.
- 25 (3) The first Board of Management of the Institute shall consist of the members of the Board of Management of the Institute holding office on the day preceding the date of commencement of this Act.
- 30 6. (1) The Board of Management shall maintain a Register of Members and the name of every person duly admitted a member of the Institute shall be inserted in the relevant category of Membership in such Register.
- Register of Members.

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(2) Every person who on the day preceding the date of commencement of this Act is a member of the ICCSSL will be deemed a member of the relevant category of membership of the Institute.

- 5 7. The Institute may have a Council which may make The Council.
recommendations to or advise the Board of Management, on
matters as may be referred to it by the Board of Management
from time to time or otherwise.

10 The Council shall consist of the following Members who
may be elected or appointed in accordance with the Rules of
the Institute to be made under the Act:—

- (i) The Members of the Board; and
- 15 (ii) A representative from each of the following bodies
who shall be invited by the Board of Management
and be appointed to the Council by the Board of
Management annually for a period of one year—
- (a) A representative at senior level from the
Ministry of Industry and Commerce;
- 20 (b) A representative at senior level from the
University Grants Commission;
- (c) The Registrar-General of Companies or his
nominee; and
- 25 (d) A representative from one of the following,
each holding office in rotation for one (1)
year:

The Institute of Chartered Accountants
of Sri Lanka (ICASL) or the Institute of
Certified Management Accountants of Sri
Lanka (CMA).

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8. (1) Every member of the Institute who possesses the qualifications specified in the Rules to be made under this Act, shall be entitled to take and use the title “Chartered Corporate Secretary”.

Use of titles
and
designatory
letters.

5 (2) Every member who is registered as a Fellow Member of the Institute shall be entitled to use the title ‘Fellow Chartered Corporate Secretary’ and the designatory letters ‘FCCS’.

(3) Every member who is registered as an Associate
10 Member of the Institute shall be entitled to use the title ‘Associate Chartered Corporate Secretary’ and the designatory letters ‘ACCS’.

9. (1) No person not being a member of the Institute, other than an Associate or Fellow Member of the Institute of
15 Chartered Secretaries & Administrators, UK, shall take or use the title ‘Chartered Secretary’, ‘Chartered Corporate Secretary’ or any other title that is permitted under this Act or which could be misleadingly similar to such permitted titles.

Restrictions
as to use of
titles.

20 (2) No person who is not registered as a Fellow Member of the Institute shall be entitled to use the title ‘Fellow Chartered Corporate Secretary’ and the designatory letters ‘FCCS’.

(3) No person who is not registered as an Associate
25 Member of the Institute shall be entitled to use the title ‘Associate Chartered Corporate Secretary’ and the designatory letters ‘ACCS’.

(4) Notwithstanding anything in subsection (1) any firm of company secretaries or corporate secretaries, each of the
30 partners of which is a member of the Institute may take and use the title ‘Chartered Secretaries’.

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10. (1) It shall be lawful for the Institute, from time to time, at any general meeting and by the votes of not less than two-thirds (2/3) of the members present and voting, to make Rules, not inconsistent with the provisions of this Act, and any other written law for all or any of the following matters:—

Rules of the
Corporation.

- (a) fees payable by each class of members and procedure to be followed in the admission, withdrawal, expulsion or resignation of members;
- 10 (b) constitution and election of the Board of Management and the Council, terms of office, resignation or removal from office or vacation of office of the office bearers, and powers, duties and functions of the Board of Management and the
15 Council;
- (c) powers, duties and function of the various officers, agents and servants of the Institute and their appointment, remuneration, disciplinary matters, dismissal and termination of office;
- 20 (d) the procedure to be observed for the summoning and holding of meetings of the Institute, the Board of Management, the Council and any sub-committees thereof, including the quorum therefore and the conduct of business thereat;
- 25 (e) qualification and disqualification for membership in the Institute, the Board of Management and the Council;
- (f) administration and management of the property of the Institute; and
- 30 (g) generally for management of the affairs of the Institute.

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(2) The Rules of the Institute may be amended, altered, added to or rescinded at a like meeting and in like manner as a rule made under this section.

(3) Every Member of the Institute shall, upon the coming
5 into operation of this Act, be subject to the rules to be made from time to time by the Institute.

11. The Corporation shall be able and capable in law to acquire and hold any property movable or immovable which may become vested in it by virtue of any purchase, grant,
10 gift, testamentary disposition or otherwise and all such property shall be held by the Corporation for the purposes of this Act and subject to the rules in force for the time being of the Corporation and it shall have full power to sell mortgage, lease, exchange or otherwise dispose of the same.

Corporation may hold property movable and immovable.

15 12. (1) The Institute shall have its own fund and all money received hitherto or hereafter by way of gift, bequest, donation, subscription, contribution, or otherwise by and on account of the Institute shall be deposited to the credit of the Institute in one or more banks and financial institutions
20 as the Board of Management shall determine.

Fund of the Corporation.

(2) The financial year of the Institute shall cover the twelve calendar months period from one year to the other without a break in the continuity from one year to the other.

25 13. (1) The Institute shall cause proper books of account to be kept of the income and expenditure, asset and liabilities and other transactions of the Institute.

Accounts and Audit.

(2) The accounts of the Institute shall be examined and audited at least once in every financial year.

(3) The accounts of the Institute shall be audited by a
30 qualified auditor.

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(4) In this section, 'qualified auditor' means an individual or a firm of professionals who are recognized by law and practice for the time being to conduct of audits of accounts of companies or other corporate.

5 (5) The Annual Report of the Board of Management shall include the Statement of Accounts, the Balance Sheet and Auditor's Report for the financial year of the Institute.

10 **14.** All debts and liabilities of the ICCSSL existing on the day preceding the date of commencement of this Act, shall be paid or discharged by the Institute and all debts due to, and subscriptions and fees payable to the ICCSSL on that day, shall be paid to the Institute for the purposes of this Act.

Debts due by and payable to the Corporation.

15 **15.** The Board of Management may appoint Attorneys-at-law, Bankers of the Institute, any agent or such other person as may be required for the purposes of the Institute and may rescind such appointments at any time.

Attorneys-at-law, bankers and agents.

20 **16.** The seal of the Institute shall be used only with the authority of the Board of Management. It may be affixed to any instrument in the presence of the Secretary and any member of the Board of Management who shall place their signatures on the instrument and such signing shall be independent of the signing of any person as a witness.

The seal of the Corporation.

25 **17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or body corporate or of any other person or persons.

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.

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