



NATIONAL PRICES COMMISSION
LAW, No. 42 OF 1975
OF
THE NATIONAL STATE ASSEMBLY

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National Prices Commission Law,
No. 42 of 1975.

L. D.--O. 48/74.

A LAW TO PROVIDE FOR THE ESTABLISHMENT OF A NATIONAL PRICES COMMISSION FOR THE FORMULATION AND IMPLEMENTATION OF A NATIONAL PRICE POLICY; AND FOR ALL MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the National State Assembly of the Republic of Sri Lanka as follows:—

1. This Law may be cited as the National Prices Commission Law, No. 42 of 1975, and shall come into operation on such date (in this Law referred to as the "appointed date") as the Minister may appoint by Order published in the *Gazette*.

Short title and date of operation.

PART I

ESTABLISHMENT OF THE NATIONAL PRICES COMMISSION

2. There shall be established, on the appointed date, a Commission which shall be called the National Prices Commission (hereafter in this Law referred to as the "Commission"), and which shall consist of the persons who are for the time being members of the Commission under section 4.

National Prices Commission.

3. The Commission shall, by the name assigned to it by section 2, be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in its own name.

The Commission to be a body corporate.

4. (1) The Commission shall consist of seven members appointed by the Minister.

Members of the Commission.

(2) A person shall be disqualified from being appointed or for continuing as a member of the Commission if he is a member of the National State Assembly.

(3) Where a member of the Commission is by reason of illness, infirmity or absence from Sri Lanka temporarily unable to perform the duties of his office, the Minister may appoint any person to act in his place.

(4) The Minister may without assigning any reason remove any member of the Commission from office. The removal of any member of the Commission from office shall not be called in question in any court or tribunal.

(5) A member of the Commission may resign from the Commission by letter addressed to the Minister.

(6) Subject to the provisions of subsections (4) and (5), the term of office of the members of the Commission shall be three years:

Provided that a member of the Commission appointed in place of a member who resigns or is removed or otherwise vacates office, shall, unless he earlier resigns or is removed or otherwise vacates office, hold office for the unexpired part of the term of office of the member whom he succeeds.

(7) Any member of the Commission vacating office by effluxion of time shall be eligible for reappointment.

Chairman
of the
Commission.

5. (1) The Minister shall appoint one of the members of the Commission as the Chairman of the Commission.

(2) If the Chairman of the Commission is temporarily unable to function as Chairman, the Minister may appoint any member of the Commission to act as Chairman of the Commission.

(3) The Chairman of the Commission shall, unless he resigns or is removed from or vacates the office of Chairman earlier, hold such office during the term for which he is a member of the Commission.

(4) The Chairman of the Commission may resign the office of Chairman by letter addressed to the Minister.

(5) The Minister may without assigning any reason terminate the appointment of any member of the Commission as Chairman, and such termination shall not be called in question in any court or tribunal.

Remuneration
of members
of the
Commission.

6. All or any of the members of the Commission may be paid such remuneration as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

77. A member of the Commission who is directly or indirectly interested in any matter which forms the subject of any proceeding of the Commission, or of any decision proposed to be made by the Commission, shall disclose the nature of his interest at a meeting of the Commission and such member shall not take part in any proceeding or decision in respect of such matter.

Members to disclose interest in any decision to be made by Commission.

8. (1) There shall be appointed with the concurrence of the Minister, a Secretary-General to the Commission (hereafter in this Law referred to as the "Secretary-General"). The Secretary-General shall be the chief executive officer of the Commission and shall at all times act under the direction of the Commission.

Officers and servants of the Commission.

(2) There shall be appointed such other officers, servants and advisers as are necessary for the performance of the work of the Commission.

(3) At the request of the Commission any officer of the state service may, with the consent of the officer and the Secretary to the Ministry in charge of the subject of Public Administration, be temporarily appointed to the staff of the Commission for such period as may be determined by the Commission with like consent, or may be permanently appointed to the staff of the Commission.

(4) The provisions of subsection (2) of section 9 (other than the provisions of paragraph (a) of that subsection) of the Motor Transport Act, No. 48 of 1957, shall, *mutatis mutandis*, apply to and in relation to any officer of the state service who is temporarily appointed to the staff of the Commission, and the provisions of subsection (3) of the aforesaid section 9 shall, *mutatis mutandis*, apply to and in relation to any officer in the state service who is permanently appointed to such staff.

(5) The officers, servants and advisers of the Commission shall be remunerated at such rates as may be determined by the Commission in consultation with the Minister and with the concurrence of the Minister in charge of the subject of Finance.

(6) All officers, servants and advisers of the Commission shall be deemed to be state officers within the meaning of and for the purposes of the Penal Code.

(7) The Commission shall be deemed to be a scheduled institution within the meaning of the Bribery Act and the provisions of that Act shall be construed accordingly.

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Proceedings
at meetings
of the
Commission.

9. (1) Where the Chairman is present at any meeting of the Commission, he shall preside at such meeting, and in the absence of the Chairman the members present at a meeting of the Commission shall choose from among themselves a Chairman for that meeting.

(2) The quorum for any meeting of the Commission shall be three.

(3) The Chairman of any meeting of the Commission shall have, in addition to his own vote, a casting vote.

(4) Subject to the other provisions of this Law and any regulations made thereunder, the Commission may regulate the procedure in regard to its meetings and the transaction of business at such meetings.

Commission
may act
despite a
vacancy.

10. No act or proceeding of the Commission shall be invalid by reason only of the existence of a vacancy among its members or any defect in the appointment of any of its members.

Custody of
the seal
of the
Commission.

11. The seal of the Commission shall be in the custody of the Chairman.

Application
of the seal
of the
Commission.

12. The application of the seal of the Commission shall be authenticated by the signature of the Chairman or some other member of the Commission authorized to authenticate the application of such seal.

PART II

FUNCTIONS AND POWERS OF THE COMMISSION

Functions
and powers
of the
Commission.

13. The functions of the Commission shall be—

(a) to examine any request made to it under section 17 or under section 18, and in appropriate cases, to fix the maximum factory, wholesale or retail prices above which any article

referred to in such request shall not be sold or to set out the price structure according to which such prices shall be fixed;

(b) to examine any matter specified in a reference made to it under section 23 and to tender advice in respect of such matter, in the form of a report to the relevant agency making such reference;

(c) to examine any matter specified in a reference made to it under section 24 and to tender advice in respect of such matter, in the form of a report to the Minister making such reference.

14. The Commission may require the manufacturers, importers and distributors of any article and the Government Department or public Corporation engaged in the provision of any service—

Power to require maintenance of records and the furnishing of returns.

(a) to maintain records in respect of such matters and in such forms as may be determined by the Commission; and

(b) to furnish to the Commission returns in respect of such matters, at such intervals and in such forms as may be determined by the Commission.

15. (1) The Commission may by notice require any person to furnish any such information or to produce any such document as the Commission may consider necessary for the proper exercise of its powers or the discharge of its functions, and it shall be the duty of any person who receives such notice to comply with the terms of such notice, notwithstanding the provisions of any written law which prohibit such person from disclosing such information or from producing such document:

Power of Commission to call for information.

Provided, however, that nothing in this subsection shall be read and construed as enabling the Commission by notice to require any person to furnish any information or to produce any document, if the disclosure of such information or the production of such document by such person is prohibited by any provision of the Inland Revenue Act, No. 4 of 1963, or the Exchange Control Act.

(2) Where a person is prohibited by the provisions of any written law from disclosing any information or from producing any document which he may be required to disclose or to produce under the provisions of subsection (1), such disclosure or production by him shall, notwithstanding anything to the contrary in any such written law, not be deemed to be a contravention of such written law.

(3) No information contained in a return furnished under section 14, and no information furnished or the contents of a document produced, in compliance with the terms of a notice issued under this section shall be published or communicated by the Commission to any other person except with the consent of the person furnishing such return or information, or producing such document, as the case may be, or in the course of the discharge of the functions of the Commission.

Power to
hold
inquiries.

16. (1) The Commission may hold such inquiries as it may deem necessary or expedient for the discharge of its functions.

(2) The Commission may give to all persons interested in any matter which forms the subject of an inquiry held under this section an opportunity of being heard and of producing such evidence, oral or documentary, as in the opinion of the Commission is relevant to such matter.

(3) For the purposes of any inquiry held by the Commission under the provisions of subsection (1), the Commission shall have all the powers of a District Court—

(a) to summon and compel the attendance of any witness;

(b) to compel the production of documents; and

(c) to administer any oath or affirmation to any witness.

(4) Where any person—

(a) without sufficient reason publishes any statement or does anything during the progress or after the conclusion of any inquiry conducted by

such Commission, which may bring the Commission or any member thereof into disrepute; or

(bb) interferes with the lawful process of the Commission; or

(cc) in the course of an inquiry held under the provisions of subsection (1)—

(i) fails without cause, which in the opinion of the Commission is reasonable, to appear before the Commission at the time and place specified in any summons issued by the Commission to such person; or

(ii) refuses to be sworn, or having been duly sworn, refuses or fails without cause, which in the opinion of the Commission is reasonable, to answer any questions put to him relating to any matters being inquired into by the Commission; or

(iii) refuses or fails without cause, which in the opinion of the Commission is reasonable, to produce and show to the Commission any document which is in his possession or power, and which in the opinion of the Commission is relevant to any matters being inquired into by the Commission,

such person shall be guilty of the offence of contempt against or in disrespect of the authority of the Commission.

(5) Where the Commission determines that a person has committed any offence of contempt against or in disrespect of its authority, the Commission may cause the Secretary-General to transmit to the District Court a certificate setting out its determination; every such certificate shall be signed by the Chairman.

(6) In any proceedings for the punishment of an offence of contempt which the District Court may think fit to take cognizance of as provided in

subsection (8), any document purporting to be a certificate signed and transmitted to the Court under subsection (5) shall—

- (a) be received in evidence and be deemed to be such a certificate without further proof unless the contrary is proved; and
- (b) be conclusive evidence that the determination set out in the certificate was made by the Commission and of the facts stated in the determination.

(7) In any proceedings taken as provided in subsection (8) for the punishment of any alleged offence of contempt against or in disrespect of the authority of the Commission, no member of the Commission shall, except with his own consent, be summoned and examined as a witness.

(8) Every offence of contempt committed against or in disrespect of the authority of the Commission shall be punishable by the District Court under section 41 (1) of the Administration of Justice Law, No. 44 of 1973, as though it were an offence of contempt of that Court committed in its presence.

Controller of
Prices may
request
Commission
to fix the
prices, or to
set out the
price
structure, of
certain
articles.

PART III

REQUESTS, REFERENCES, AND DIRECTIONS TO THE COMMISSION

17. If it appears to the Controller of Prices that there is or there is likely to arise in Sri Lanka a shortage of any article, other than a prescribed article, or any unreasonable increase in the price of such first-mentioned article or that the price at which such article is being sold is excessive, he may request the Commission—

- (a) to fix the maximum factory, wholesale or retail prices above which such article shall not be sold or set out the price structure according to which such maximum prices shall be fixed; or
- (b) in the case of an article in respect of which there is an Order under section 20, for the time being in force, fixing the maximum prices above which such article shall not be sold, or

setting out the price structure according to which such maximum prices shall be fixed, to vary the maximum prices fixed, or the price structure set out by such Order:

Provided that the Controller of Prices may, where he deems it necessary to do so in a case of extreme urgency, fix, by Order published in the *Gazette*, the maximum prices of such article and at the same time make such a request to the Commission; and such Order shall, until confirmed or varied by the Commission, be deemed to be an Order made by the Commission under section 20.

18. A relevant agency may in the case of an article in respect of which there is an Order under section 20, for the time being in force, fixing the maximum prices above which such article shall not be sold or setting out the price structure according to which such maximum prices shall be fixed, request the Commission to vary the prices fixed or the price structure set out by such Order

Relevant agency may request Commission to vary the prices fixed by Order for an article.

19. All requests made under section 17 or section 18 shall be in forms determined for the purpose by the Commission.

Requests under sections 17 and 18 to be in forms determined by Commission.

20. (1) Upon receipt of a request under section 17 or section 18, the Commission may cause a notice to be published in the *Gazette*, to the effect that it has received such request and inviting any persons interested in such request to submit to it their views and comments on such request.

Procedure and powers of Commission on receipt of a request under section 17 or section 18.

(2) The views and comments referred to in subsection (1) shall be submitted in such manner and within such period as may be determined by the Commission.

(3) If, after examination of a request made under either of the aforementioned sections and a consideration of the views and comments, if any, submitted in relation thereto under subsection (2) or by the Controller of Prices, the Commission is satisfied that such request is reasonable, it shall—

- (a) in the case of a request made under section 17 (a), by Order published in the *Gazette*, fix the maximum factory, wholesale or retail prices above which the article referred to in such request, shall not be sold or set out the price structure according to which such maximum prices shall be fixed; and
- (b) in the case of a request made under section 17 (b) or section 18, vary the Order fixing the maximum factory, wholesale or retail prices above which the article referred to in such request, shall not be sold or setting out the price structure, according to which such maximum prices shall be fixed.

(4) Every Order made under subsection (3) shall come into operation on the date on which such Order is published in the *Gazette*.

(5) An Order under subsection (3) may prescribe the conditions of the sale of the article specified in such Order, including conditions, as to the time and place of the sale and the quantity and quality of the article to be sold.

(6) Where a request under section 17 or section 18 is in respect only of the retail or of the wholesale or of the factory price, as the case may be, of an article, the Commission, when fixing by an Order under subsection (3) the maximum retail or wholesale or factory price, as the case may be, above which such article shall not be sold, may by the same Order also fix the maximum wholesale and factory prices, or the maximum retail and factory prices, or the maximum retail and wholesale prices, as the case may be, above which such article shall not be sold.

21. Where a request is made to the Commission under section 17 or section 18, it shall exercise the powers and discharge the duties conferred and imposed on it by section 20 in relation to such request within a period of two months from the date on which such request is received:

Provided that the Minister may, from time to time, by Order published in the *Gazette*, extend the time within which the Commission shall exercise such powers or discharge such duties in respect of such request.

Time limit
within
which
powers and
duties
under
section 20
are to be
exercised
and
discharged.

22. (1) The Minister may rescind or vary any Order made by the Commission under section 20.

Power of Minister to rescind or vary an Order made under section 20.

(2) Where an Order is rescinded or varied by the Minister under subsection (1), notification of such rescission or variation shall be published in the *Gazette* and the Order made under section 20 shall be deemed to be rescinded or varied, as the case may be, with effect from the date of such publication but without prejudice to anything done or suffered thereunder or any right, obligation or liability acquired, accrued or incurred thereunder.

23. (1) A relevant agency proposing to vary the price of a prescribed article or the charge for any prescribed service shall inform the Commission of its proposal and shall refer to the Commission the examination of the question of such proposed variation of price or charge, as the case may be, and accordingly the Commission shall examine such question and report to the relevant agency making such reference within such period as may be specified in such reference.

Obligatory reference in the case of variation of price or charge of any prescribed article or prescribed service.

(2) A relevant agency shall not vary the price of a prescribed article or the charge for any prescribed service until after the Commission has examined and reported on the question of such variation of price or charge, as the case may be:

Provided that a relevant agency may, where it is deemed necessary to do so, in a case of extreme urgency, vary the price of such prescribed article or the charge for such prescribed service, pending a report from the Commission on a reference made by such agency under subsection (1).

24. (1) Any Minister may, either of his own motion or on representations made to him by any person or any body of persons, refer any question relating to the price of any article or the charge for any service to the Commission for examination and report, and accordingly, the Commission shall examine such question and send its report to the Minister making such reference, within such period as may be specified in such reference.

Advisory reference

PART IV

FINANCE AND ACCOUNTS OF THE COMMISSION

Fund of the
Commission.

25. (1) The Commission shall have its own Fund.
- (2) There shall be paid into the Fund of the Commission—
- (a) all such amounts as may be voted from time to time by the National State Assembly for the use of the Commission; and
- (b) all such sums of money that may be received by the Commission in the exercise, discharge and performance of its powers, duties and functions.
- (3) There shall be paid out of the Fund of the Commission all such sums of money required to defray the expenses incurred by the Commission in the exercise, discharge and performance of its powers, duties and functions under this Law or any other written law, and all such sums of money as are required to be paid by the Commission by or under this Law.

Financial
year of the
Commission.

26. The financial year of the Commission shall be the period of twelve months commencing on the first day of January each year.

Application
of provisions
of Part II
of the
Finance Act,
No. 38 of
1971.

27. The provisions of Part II of the Finance Act, No. 38 of 1971, shall, *mutatis mutandis*, apply to the financial control and accounts of the Commission.

PART V

MISCELLANEOUS

Expenditure
of the
Commission.

28. The remuneration payable under section 6 to members of the Commission, and all other expenditure incurred by the Commission in the exercise of its powers, the discharge of its duties and the performance of its functions under this Law shall be paid out of moneys voted for the purpose by the National State Assembly.

29. No civil or criminal proceedings shall be instituted—

Protection
for action
taken
under
this Law.

(a) against the Commission for any act which in good faith is done or purported to be done by the Commission under this Law; or

(b) against any member, officer or servant of the Commission for any act which in good faith is done or purported to be done by him under this Law.

30. (1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Law.

Regulations.

(2) In particular and without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations—

(a) for all matters stated or required by this Law to be prescribed;

(b) prescribing articles and services for the purposes of this Law;

(c) prescribing the manner in which meetings of the Commission shall be convened;

(d) prescribing the manner of conduct of meetings of the Commission;

(e) prescribing the persons by whom, and the manner in which, the expenses of witnesses summoned to attend inquiries held by the Commission, are to be paid.

(3) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in such regulation.

(4) Every regulation made by the Minister shall, as soon as convenient after its publication in the *Gazette*, be brought before the National State Assembly for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

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

Offences and
penalties.

31. (1) Any person who—
- (a) contravenes or fails to comply with any provisions of this Law, or any direction lawfully given, or any requirement lawfully imposed under this Law; or
 - (b) omits or refuses—
 - (i) to furnish a return when required by the Commission to do so under section 14; or
 - (ii) to furnish any information or to produce any document when required to do so by a notice sent under section 15; or
 - (c) knowingly makes any false statement in any return furnished by him under this Law, or knowingly furnishes any false information when required by the Commission to furnish any information,

shall be guilty of an offence under this Law and shall, on conviction after trial before a Magistrate, be liable to a fine not exceeding five thousand rupees or to imprisonment of either description for a period not exceeding one year or to both such fine and imprisonment.

(2) Where any offence under this Law is committed by a body of persons, then—

- (a) if the body of persons is a body corporate, every director and officer of such body corporate; and
- (b) if the body of persons is a firm, every partner of that firm,

shall be deemed guilty of that offence:

Provided that no such director, officer or partner shall be deemed guilty of that offence if he proves that such offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(3) No prosecution for any offence under this Law shall be instituted except with the written sanction of the Attorney-General.

32. The provisions of this Law shall have effect notwithstanding anything contained in any other written law, and accordingly, in the event of any conflict or inconsistency between the provisions of this Law and such other written law, the provisions of this Law shall prevail.

This Law
to prevail
over other
written
law.

33. In this Law, unless the context otherwise requires—

Interpretation.

“article” means any article of food, drink, or merchandise;

“Chairman” means the person appointed under this Law to be or to act as Chairman of the Commission;

“Controller of Prices” means the Controller of Prices appointed under section 2 of the Control of Prices Act;

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“prescribed” means prescribed by regulation made under this Law;

“public Corporation” means any corporation, board or other body which was or is established by or under any written law other than the Companies Ordinance with capital partly or wholly provided by the Government by way of grant, loan or other form;

“relevant agency”—

(a) in relation to any article, other than a prescribed article, means the manufacturer, importer or distributor of such article or any other person responsible for fixing the price of such article; and

(b) in relation to a prescribed article or a prescribed service, means the Chairman of the public Corporation or the Head of the Government Department manufacturing or distributing such article or providing such service.