



NATIONAL INSTITUTE OF BUSINESS
MANAGEMENT LAW, No. 23 OF 1976

OF

THE NATIONAL STATE ASSEMBLY

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*National Institute of Business Management
Law, No. 23 of 1976*

L. D.—O. 53/73.

A LAW TO PROVIDE FOR THE ESTABLISHMENT OF THE NATIONAL INSTITUTE OF BUSINESS MANAGEMENT AND FOR 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 Institute of Business Management Law, No. 23 of 1976, and shall come into operation on such date as may be appointed by the Minister by Order published in the *Gazette*.

Short
title and
date of
operation.

PART I

CONSTITUTION, OBJECTS, POWERS AND FUNCTIONS OF
THE NATIONAL INSTITUTE OF BUSINESS MANAGEMENT.

2. (1) There shall be established an institute which shall be called the National Institute of Business Management (hereinafter in this Law referred to as the "Institute") which shall consist of the persons who are for the time being members of the Institute under section 6.

Establishment
of the
National
Institute
of
Business
Management.

(2) The Institute shall, by the name assigned to it by subsection (1), be a body corporate and shall have perpetual succession and a common seal and may sue and be sued in its corporate name.

(3) The members of the Board of Governors shall be the members of the Institute.

3. (1) The general objects of the Institute shall be—

General
objects
of the
Institute.

(a) to train and educate managerial and supervisory staff of industrial and commercial undertakings of the public and private sector and other persons in modern management and productivity, and to award certificates and diplomas, in connection therewith;

(b) to make available to the Government and the country the services of a group of specialists, in the various functional areas of management for advice, consultancy and special assignments;

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- (c) to assist Government and private organizations to improve productivity, establish performance standards, determine rational monetary compensation systems and evolve appropriate programmes for human relations;
- (d) to actively co-operate with other organizations, groups and individuals in management training, research and related activities in Sri Lanka and abroad;
- (e) to disseminate information on the functions and activities of the Institute to the public and relevant institutions;
- (f) to train and educate workers for creative participation in management and appreciation of organizations, functions and problems;
- (g) to represent the Institute before appropriate national and international bodies and conferences;
- (h) to undertake research and to gather data on aspects of management and relevant socio-economic phenomena for a better appreciation of environmental context;
- (i) to provide a forum for critical appraisal and modification of management and organization theories for application in the special circumstances of Sri Lanka;
- (j) to sponsor and hold conferences and seminars and publish books, journals and magazines in connection with management and productivity, with the assistance of approved national or international organizations where necessary;
- (k) to co-ordinate and liaise with approved management and productivity bodies in Sri Lanka and other countries.

(2) It shall be the duty of the Institute to advise the Minister and the Government on any or all of the matters referred to in subsection (1) and on any other matter that may be referred to the Institute for advice by the Minister and the Government.

4. The Institute shall have such powers, rights and functions as may reasonably be necessary to carry out its objects and duties and in particular may—

Powers of the
Institute.

- (a) acquire in any manner whatsoever and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any movable or immovable property;
- (b) establish and operate management training and education centres;
- (c) conduct, assist, co-ordinate and encourage research into all aspects of management;
- (d) appoint, employ, remunerate and exercise disciplinary control over its officers and servants;
- (e) levy fees or charges for any service rendered by the Institute;
- (f) pay fees or charges for any services rendered to the Institute;
- (g) import plant, machinery and equipment required for the purposes of the Institute, and receive equipment, funds, personnel and any other assistance for carrying out the objects of the Institute;
- (h) establish work performance standards for its own personnel, evaluate such performance and take reasonable action thereupon;
- (i) establish and maintain welfare and recreational facilities for its employees;
- (j) make rules in relation to its officers and servants including the appointment, training, promotion, remuneration, disciplinary control, conduct and grant of leave;
- (k) make rules in respect of the general administration of the Institute;
- (l) do all other things which are necessary or conducive or incidental to the attainment of the objectives and functions of the Institute.

5. In the exercise of its powers and the carrying out of its objects the Institute shall comply with the general policy of the Government and with any general or special direction issued by the Minister in relation to such policy.

Institute to
exercise its
powers under
the directions
of the Minister.

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Constitution
of the Board
of Governors.

6. (1) The Institute shall have a Board of Governors (hereinafter in this Law referred to as the "Board"), consisting of the following members appointed by the Minister, namely—

- (a) a Chairman who shall be the person for the time being holding office as Director-General of the Institute.
- (b) the person for the time being holding office as Secretary to the Ministry in charge of the Minister to whom the subject of Industries is assigned, or his accredited nominee;
- (c) the person for the time being holding office as Secretary to the Ministry in charge of the Minister to whom the subject of Planning is assigned, or his accredited nominee;
- (d) the person for the time being holding office as Secretary to the Ministry in charge of the Minister to whom the subject of Finance is assigned, or his accredited nominee;
- (e) the person for the time being holding office as Secretary to the Ministry in charge of the Minister to whom the subject of Labour is assigned, or his accredited nominee;
- (f) the person for the time being holding office as Secretary to the Ministry in charge of the Minister to whom the subject of Foreign and Internal Trade is assigned, or his accredited nominee;
- (g) a person who in the opinion of the Minister has distinguished himself or otherwise specially qualified in relation to trade union activities;
- (h) a person for the time being holding office as elected Head of a recognized Employers Federation or Chamber of Commerce.

(2) A person shall be disqualified from being appointed, or for continuing, as a member of the Board—

- (a) if he is or becomes a Member of the National State Assembly; or
- (b) if he, directly or indirectly, holds or enjoys any right or benefit under any contract made by or on behalf of the Institute; or
- (c) if he has any such financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Board.

7. (1) Every member appointed under subsection (1) of section 6 shall, unless he vacates office earlier by death, resignation or removal, hold office for a period of three years.

Term of office of members of the Board.

(2) (a) Where a member of the Board appointed under subsection (1) of section 6 dies or resigns or is removed from office, the Minister may, having regard to the provisions of that subsection, appoint another person to be a member in place of the member who dies, resigns or is removed from office.

(b) Any member of the Board appointed under paragraph (a) of this subsection, shall, unless he earlier resigns or vacates his office by death or removal, hold office for the unexpired part of the term of office of the member whom he succeeds.

(3) Where a member of the Board appointed under subsection (1) of section 6 is, by reason of illness or other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may, having regard to the provisions of that paragraph, appoint any person to act in his place.

8. (1) The Minister may, if he considers it expedient so to do, remove by Order published in the *Gazette* any member of the Board appointed under subsection (1) of section 6 without reasons stated.

Power of the Minister to remove from office a member of the Board.

(2) The removal of any member under subsection (1) shall not be called in question in any Court.

9. A member of the Board may at any time resign his office by letter addressed to the Minister.

Resignation of members of the Board.

10. Any member who vacates his office, other than a member who is removed from office under section 8, shall be eligible for reappointment.

Eligibility for reappointment as member of the Board.

11. No act or proceeding of the Institute shall be deemed to be invalid by reason only of the existence of any vacancy in the Board or defect in the appointment of any member of the Board.

Acts or proceedings of the Institute deemed not to be invalid by reason of any vacancy or defect in the appointment of a member.

Remuneration
of members
of the Board.

12. All or any of the members of the Board may be paid such remuneration out of the funds of the Institute as may be determined by the Minister with the concurrence of the Minister of Finance.

Meetings of
the Board.

13. (1) The meetings of the Board shall be held once at least every month.

(2) The Chairman shall summon a special meeting of the Board within seven days after being requested in writing to do so by two members of the Board.

(3) The Chairman shall give at least seven days' notice in writing of every meeting of the Board to each of the members, and shall specify in such notice the business to be dealt with at such meeting.

(4) Five members shall form a quorum at any meeting of the Board.

(5) The Chairman shall preside at meetings of the Board and in the absence of the Chairman from any meeting of the Board a member chosen by the majority of members present shall preside at such meeting.

(6) If the Chairman is by reason of illness or other infirmity or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may appoint one of the members to act in his place.

(7) Where there is an equality of votes on any matter or thing decided at a meeting of the Board, the Chairman at such meeting shall, in addition to his vote, have a second or casting vote.

(8) Subject to the provisions herein contained the Board may determine its own procedure.

Board to
administer
the affairs
of the
Institute.

14. The Board shall administer the affairs, may exercise the powers, and shall perform the duties of the Institute.

Delegation
of powers
and duties
of the
Board.

15. The Board may delegate to the Director-General or any other member of the Institute or any body or committee of employees any of its powers and duties.

PART II

APPOINTMENT OF THE DIRECTOR-GENERAL OF THE
INSTITUTE AND OTHER OFFICERS AND SERVANTS
OF THE BOARD.

16. (1) The Minister shall appoint a person suitably qualified in relation to the work of the Institute as the Director-General of the Institute hereinafter in this Law referred to as the "Director-General".

Appointment
of the
Director-General
of the
Institute.

(2) The Director-General may be paid such remuneration as may be determined by the Minister with the concurrence of the Minister of Finance.

(3) The Director-General shall execute or perform such powers, functions and duties as may be delegated to him.

17. (1) Subject to the other provisions of this Law the Board may—

Powers of
the Board
in regard
to appointments
and training
of the staff
of the
Institute.

(a) appoint to the staff of the Institute such other officers and servants as may be necessary for the purposes of the Institute;

(b) dismiss and exercise disciplinary control over the staff of the Institute;

(c) fix the wages or salaries or other remuneration of the staff;

(d) determine the terms and conditions of service of such staff; and

(e) do anything for the purpose of advancing the skill of persons employed by the Institute or the efficiency of the equipment of the Institute or the manner in which that equipment is operated including the provision by others of facilities for training persons required to carry out the work of the Institute.

(2) Rules may be made under this Law in respect of all or any of the matters referred to in subsection (1).

Delegation
of powers
of the
Board in
regard to
appointments
to the
Director-
General.

18. (1) The Board may delegate to the Director-General of the Institute all or any of its powers relating to the appointment of other officers or servants to the staff of the Institute. The conditions of employment including remuneration of any of the members of the professional staff appointed by the Director-General under the powers delegated to him shall be determined by him with the concurrence of the Board.

(2) Any person aggrieved by any decision made by the Director-General under this section may appeal therefrom in writing to the Board and the decision of the Board on such appeal shall be final.

(3) The dismissal by the Director-General of any member of the professional staff of the Institute shall not take effect unless it is approved by the Board.

Determination
of duties.

19. The Director-General shall determine the duties of the officers and servants of the Institute.

Appointment
of state
officers to
the staff
of the
Institute.

20. (1) At the request of the Board any officer in the state service may, with the consent of that officer and of the Secretary to the Ministry in charge of the Minister to whom the subject of Public Administration has been assigned, be temporarily appointed to the staff of the Institute for such period as may be determined by the Board with like consent, or be permanently appointed to such staff.

(2) Where any state officer is temporarily appointed to the staff of the Institute, 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 such officer.

(3) Where any state officer is permanently appointed to the staff of the Institute, the provisions of subsection (3) of section 9 of the Motor Transport Act, No. 48 of 1957, shall *mutatis mutandis* apply to and in relation to such officer.

(4) Any officer or servant of a State Corporation may, with the consent of such officer or servant and the Board of Directors of such Corporation, be temporarily or permanently appointed to the staff of the Institute on such terms and conditions, including those relating to the Provident Fund rights, as may be agreed upon by the Board of Directors of that Corporation and the Board of Governors of the Institute.

(5) Where the Institute employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

21. No officer of the Institute shall render paid services to any other person or persons without the consent of the Director-General and the Board.

Rendering of services by employees of the Institute to other employers.

PART III

FINANCE

22. (1) The Institute shall have its own fund.

The Fund of the Institute.

(2) There shall be credited to the fund of the Institute:—

(a) all such sums of money as may be voted from time to time by the National State Assembly for the use of the Institute; and

(b) all sums of money received by the Institute in the exercise, discharge and performance of its functions, powers and duties.

(3) All sums of money required to defray any expenditure incurred by the Board in the exercise, discharge and performance of its functions, powers and duties shall be charged on the fund.

23. The financial year of the Institute shall be the period of twelve months commencing on the first day of January.

Financial year of Institute.

24. 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 Institute.

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

PART IV

GENERAL

Members
and
employees
of the
Institute
deemed to
be State
officers.

25. All members, officers and servants of the Institute shall be deemed to be State officers within the meaning of and for the purposes of the Penal Code.

The
Institute
deemed to
be a
scheduled
institution
within the
meaning
of the
Bribery Act.

26. The Institute 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.

Secrecy.

27. (1) No member of the Board or an officer or servant of the Institute shall disclose to any person except to the Minister, or for the purposes of the performance of his duties, or the exercise of his functions or when required to do so before a Court or under any Law, any information acquired by him in the performance of his duties or the exercise of his functions:

Provided however, that no information in relation to matters which the Institute is bound to treat as confidential by any agreement with another party other than the Government shall be disclosed under the preceding provisions of this section.

(2) Any person who contravenes the provisions of subsection (1) shall be guilty of an offence.

Contracts.

28. (1) Contracts on behalf of the Institute may be made as follows:—

(a) a contract which if made between private persons would be by law required to be in writing, may be made on behalf of the Institute in writing under the common seal of the Institute;

(b) a contract which if made between private persons would be by law required to be in writing, signed by the parties to be charged therewith, may be made on behalf of the Institute in writing signed by any person or persons duly authorized thereto by the Board;

(c) a contract which if made between private persons would by law be valid although made by parol only and not reduced into writing, may be made on parol on behalf of the Institute by any person or persons duly authorized thereto by the Board.

(2) A contract made according to this section shall be effectual in law and shall bind the Institute and all persons thereto and their legal representatives.

29. (1) Where any immovable property is required to be acquired for the purpose of the Institute and the Minister, by Order published in the *Gazette* approves of the proposed acquisition, that property shall be deemed to be required for a public purpose and may accordingly be acquired under the Land Acquisition Act and be transferred to the Institute.

Acquisition of immovable property under the Land Acquisition Act for the Institute.

(2) Any sum payable for the acquisition of any immovable property under the Land Acquisition Act for the Institute shall be paid from the fund of the Institute.

30. (1) Where any immovable property of the State is required for the purpose of the Institute, such purpose shall be deemed to be a purpose for which a special grant or lease of such property may be made under section 6 of the Crown Land Ordinance and accordingly the provisions of that Ordinance shall apply to a special grant or lease of such property to the Institute.

State property both movable and immovable to be made available to the Institute.

(2) Where any movable property of the State is required for the purpose of the Institute, the Minister may, by Order published in the *Gazette*, transfer to and vest in the Institute the possession and use of such property.

31. The State may provide for the use of the Institute such land, building and other facilities as may be deemed necessary.

The State to make available premises, etc. for the use of the Institute.

32. (1) Except with the written approval of the Minister no person other than the Institute shall carry on any activity, business, trade or occupation under the designation which contains the words

Restriction on use of words "National Institute of Business Management."

“ National Institute of Business Management ” or such other words the use of which would imply that such person is carrying on such activity, business, trade or occupation in association with or with the approval of or under the authority of the “ National Institute of Business Management. ”

(2) Any person who contravenes the provisions of subsection (1) shall be guilty of an offence.

Power of the Minister to give special or general directions to the Board.

33. (1) The Minister may give special or general directions in writing as to the performance of the duties and the exercise of the powers of the Board, and the Board shall give effect to such directions.

(2) The Minister may from time to time direct the Board to furnish to him in writing such information as he may require relating to the work of the Institute.

Rules.

34. (1) The Institute may make rules in respect of all or any of the matters for which rules are authorized or required by this Law to be made.

(2) No rule made by the Institute shall have effect until it has been approved by the Minister.

Protection for action taken under this Law or on the direction of the Board.

35. (1) No suit or prosecution shall lie—

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

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

(2) Any expense incurred by such person as is referred to in subsection (1) in any suit or prosecution brought against him before any Court in respect of any act which is done by him under this Law or on the direction of the Board shall, if the Court holds that the act was done in good faith, be paid out of the funds of the Board.

No writ to issue against person or property of a member of the Board.

36. No writ against person or property shall be issued against a member of the Board in any action brought against the Board.

37. Every person who commits an offence under this Law shall on conviction after trial before a Magistrate be liable to imprisonment of either description for a period not exceeding six months or to a fine not less than five hundred rupees or to both such fine and imprisonment.

Offences and penalties.

38. The Institute shall be the successor to the Management Development and Productivity Centre and all contracts, obligations, assets, liabilities, staff and equipment shall accordingly be deemed to be part of the contracts, obligations, assets, liabilities, staff and equipment of the Institute.

Institute to succeed to contracts, obligations, assets, liabilities, &c., of the Management Development Productivity Centre.