



PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA

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DEBT CONCILIATION (AMENDMENT)  
ACT, No. 19 OF 1978

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[Certified on 28th December, 1978]

*Printed on the Orders of Government*

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*Debt Conciliation (Amendment)*

*Act, No. 19 of 1978*

[Certified on 28th December, 1978]

L. D.—O. 28/78.

AN ACT TO AMEND THE DEBT CONCILIATION ORDINANCE.

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

1. This Act may be cited as the Debt Conciliation (Amendment) Act, No. 19 of 1978.

Short title.

2. Section 6 of the Debt Conciliation Ordinance, hereinafter referred to as the "principal enactment", is hereby amended by the addition, immediately after paragraph (b) of that section, of the following new paragraph:—

Amendment of section 6 of Chapter 81.

" (a) the payment of subsistence and an allowance in respect of travelling done by any or all of the members of the Board resident outside the Municipal limits of Colombo for attendance at meetings of the Board and the rates at which such allowances shall be computed."

3. Section 10 of the principal enactment is hereby repealed and the following new section substituted therefor:—

Replacement of section 10 of the principal enactment.

" Remuneration of members of branch boards.

10. Regulations may be made providing for—

(a) the payment of fees to any or all of the members of a branch board for attendance at meetings of the branch board and for any work done and the rates at which such fees shall be computed;

(b) the payment of an allowance in respect of travelling done by any or all of the members of a branch board in the discharge of their duties as members of a branch board, and the rates at which such allowance shall be computed; and

(c) the payment of subsistence and an allowance in respect of travelling done by any or all of the members of a branch board resident outside the area where the branch board has been constituted, for attendance at meetings of the branch board, and the rates at which such allowances shall be computed.”.

Amendment of section 21A of the principal enactment.

4. Section 21A of the principal enactment is hereby amended by the substitution, for paragraph (a) of that section, of the following paragraph:—

“(a) the language of the notarial instrument of transfer and where provision in regard to the right of the transferor or any other person to redeem or purchase the property transferred is contained in any other notarial instrument; the language of that other instrument;”.

Amendment of section 39 of the principal enactment.

5. Section 39 of the principal enactment is hereby amended as follows:—

(1) by the renumbering of that section as subsection (1) of that section; and

(2) by the addition, after the renumbered subsection (1) of that section, of the following new subsection:—

“(2) Where a certificate has been granted under this Ordinance in respect of a debt secured by a conditional transfer of immovable property and subsequent to the granting of that certificate an action is instituted in any court for the recovery of that property, the court—

(a) may, notwithstanding that the title to that property has vested in the creditor in relation to that debt, make such appropriate orders as are necessary to reconvey title to, and possession of, that property to the debtor, in relation to that debt, on the payment by the debtor of the debt together with

the interest thereon in such instalments and within such period not exceeding ten years, as the court thinks fit; and

(b) where the action is instituted by the creditor or any person claiming title to the property through the creditor, shall not allow the creditor or that person any costs in such action, and shall not allow in respect of any period subsequent to the receipt by the Board of the application for the settlement of that debt, any interest on the amount of the debt in excess of simple interest at a rate not higher than the prescribed rate."

6. Section 63 of the principal enactment is hereby repealed and the following section substituted therefor:—

" Date of operation of regulations.

63. (1) Every regulation made by the Minister shall be published in the *Gazette* and—

(a) shall, if so expressed in the regulation, be deemed to have come into operation on such date, prior to the date of publication in the *Gazette*, as may be specified therein, such prior date being a date not earlier than the date of commencement of this Ordinance; or

(b) shall, if no such prior date is specified therein, come into operation on publication in the *Gazette* or on such later date as may be specified therein.

(2) Every regulation made by the Minister shall as soon as convenient after its publication in the *Gazette* be brought before the Parliament for approval.

(3) Every 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.

Replacement of section 63 of the principal enactment.

(4) The date on which such regulation shall be deemed to be so rescinded shall be published in the *Gazette*."

Amendment of section 64 of the principal enactment.

7. Section 64 of the principal enactment is hereby amended as follows:—

(1) by the substitution for the definition of "conditional transfer of immovable property" in that section, of the following definition:—

"conditional transfer of immovable property" means any transfer, sale, or alienation of immovable property which is effected by a notarial instrument and which, by virtue of such instrument or any other notarial instrument, is subject to the right of the person by whom the property was transferred, sold or alienated or of any other person to redeem or purchase the property within a period specified in such instrument or such other instrument; and

(2) by the substitution for the definition of "creditor" in that section, of the following definition:—

"creditor" means a person to whom a debt is owing and includes the heirs, executors and administrators of that person and, in the case of a debt secured by a conditional transfer of immovable property as is a mortgage within the meaning of this Ordinance, the transferee of that property and the heirs, executors and administrators of the transferee but does not include the State or any person or body, prescribed by regulation under section 61 (2);

8. The amendments made in the principal enactment by sections 2 and 3 of this Act shall be deemed to have come into force on March 20, 1978.

Certain amendments to the principal enactment to have retrospective effect.