



**GREATER COLOMBO ECONOMIC
COMMISSION LAW,
No. 4 OF 1978
OF
THE NATIONAL STATE ASSEMBLY**

[Certified on 31st January, 1978]

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*Greater Colombo Economic Commission
Law, No. 4 of 1978*

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L. D.—O. 57/77.

A LAW TO ESTABLISH THE GREATER COLOMBO ECONOMIC COMMISSION ; TO VEST THE SAID COMMISSION WITH POWERS NECESSARY FOR THE DEVELOPMENT AND RESURGENCE OF THE ECONOMY OF THE REPUBLIC ; AND TO PROVIDE 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 Greater Colombo Economic Commission Law, No. 4 of 1978, and shall come into operation in respect of all or any of its provisions on such date or dates as the Minister may appoint by Order published in the *Gazette*.

Short title and date or dates of operation.

2. (1) There shall be established a Commission called the Greater Colombo Economic Commission (hereinafter referred to as the "Commission").

Establishment of the Commission.

(2) The Commission shall, by the name assigned to it under subsection (1), be a body corporate having perpetual succession and a common seal and may sue and be sued in its corporate name, and may perform such other acts as bodies corporate may by law perform.

3. The objects of the Commission shall be—

Objects of the Commission.

- (a) to foster and generate the economic development of the Republic ;
- (b) to widen and strengthen the base of the economy of the Republic ;
- (c) to encourage and promote foreign investment within the Republic ;
- (d) to diversify the sources of foreign exchange earnings and to increase the export earnings ;
- (e) to encourage and foster the establishment and development of industrial and commercial enterprises within the Republic ;
- (f) to administer the affairs of the Area of Authority referred to in section 4 ; and
- (g) to do all such other acts as may be necessary or conducive to the attainment of any or all of the above objects.

Area of
Authority.

4. For the purposes of this Law, the Area of Authority shall be the area depicted in the plan set out in Schedule A hereto.

Jurisdiction of
Commission.

5. The Commission shall have jurisdiction in and over—

- (1) the area of Authority ; and
- (2) any licensed enterprise.

Constitution of
Commission.

6. (1) The Commission shall consist of five members to be appointed by the President, one of whom shall be appointed the Director-General of the Commission.

(2) Every member shall hold office for a period of five years from the date of his appointment, unless he earlier vacates office by death, resignation or removal.

(3) Any member may resign his office by written communication addressed to the President.

(4) The President may, in his absolute discretion and without assigning any reason therefor, by Order published in the *Gazette*, remove any member with effect from the date of such publication.

(5) Upon the vacation of office by any member, the President may appoint any person to fill such vacancy and such person shall hold office for the unexpired period of the term of office of the member whom he succeeds.

(6) No act or proceeding of the Commission shall be invalid by reason only of any vacancy among the members or any defect in their appointment.

(7) Where the Director-General or any other member is temporarily unable to discharge the duties of his office on account of ill-health, absence from the Republic or any other cause, the President may appoint any person to act in place of such member.

Remuneration
and terms and
conditions of
service of
members.

7. The members of the Commission shall be remunerated at such rates and in such manner and be subject to such terms and conditions of service, as may from time to time, be determined by the President.

8. Any member who, whether directly or indirectly, has any interest in any enterprise falling within the jurisdiction of the Commission shall, at the first meeting of the Commission held after the member became so interested, inform the Commission in writing of the nature and extent of such interest and the Commission shall forthwith communicate such matter to the President, and such member shall not, so long as he is so interested, at any meeting of the Commission vote in arriving at any decision of the Commission with respect to such enterprise or class or category of such enterprise.

Disclosure of interest by member.

9. The Commission may make rules—

Regulation of procedure.

- (a) for the regulation of procedure and the transaction of business at meetings ;
- (b) providing for the custody and manner of affixing its seal.

10. The quorum for a meeting of the Commission shall be three members.

Quorum.

11. (1) The Director-General shall be the Chief Executive of the Commission.

Chief Executive of the Commission.

(2) The Director-General shall preside at all meetings of the Commission and in his absence any member elected by the members present shall preside at such meeting.

12. (1) The Commission may, subject to such conditions as may be specified, in writing, delegate to the Director-General any power, duty or function conferred or imposed on or assigned to the Commission under this Law, other than the powers conferred on the commission under section 17 of this Law.

Commission may delegate powers, duties and functions to the Director-General.

(2) Notwithstanding any such delegation the Commission may exercise, discharge or perform any such power, duty or function.

13. (1) There may be appointed to the staff of the Commission such officers and servants as the Commission may deem necessary.

Staff of the Commission.

(2) The Commission may, subject to the general or special direction of the Minister—

- (a) appoint, dismiss and exercise disciplinary control over the staff of the Commission ;
- (b) fix the salary, wages or other remuneration of such staff ;
- (c) determine the terms and conditions of service of such staff ;
- (d) establish and regulate a provident fund or scheme for the benefit of such staff and may make contributions towards such fund or scheme.

(3) (a) At the request of the Commission any state officer may, with the consent of that officer and the consent of the person who for the time being has the power to appoint such officer, be temporarily appointed to the staff of the Commission for such period as may be determined by such Commission with like consent, or be permanently appointed to such staff.

(b) (i) Where a state officer is appointed temporarily to the staff of the Commission the provisions of subsections (3) and (5) of section 26 of the State Industrial Corporations Act, No. 49 of 1957, other than paragraph (a) of subsection (3) of section 26, shall, *mutatis mutandis*, apply to, and in relation to, such officer.

(ii) Where an officer is permanently appointed to the staff of the Commission the provisions of subsections (4) and (5) of section 26 of that Act shall apply to, and in relation to, such officer.

14. (1) The Commission may establish and maintain such departments as it may consider necessary for the proper and efficient conduct of the business of the Commission.

(2) The Commission shall have its principal office in Sri Lanka and may establish any branch office or agency within or outside Sri Lanka.

15. (1) The Commission may delegate to the head of any department the exercise or discharge of any power or function vested in or assigned to the Commission, other than the powers conferred on the Commission under section 17 of this Law. The Commission may, notwithstanding any such delegation, exercise or discharge any such power or function.

Delegation
of powers
to
departments.

(2) The Commission may, in writing under its seal or in such other manner as may be provided by the rules made by the Commission, empower any person either generally or in respect of any specific matter to act for, and on behalf of, the Commission in any place outside Sri Lanka.

16. Without prejudice to the generality of the powers conferred on the Commission by this Law, the Commission shall have the power—

General
powers
of the
Commission.

(a) to do all such acts or take such steps as may be necessary or conducive to the attainment of the objects of the Commission ;

(b) to acquire, sell or lease land for the purposes of industrial sites, for the use of employees or for general economic development ;

(c) to lay out industrial estates for sale or lease ;

(d) to enter into agreements with enterprises ;

(e) to exercise, perform and discharge all such powers, duties and functions as are by or under this Law vested in or assigned or delegated to the Commission ; and

(f) generally to do all such other acts and things as are incidental to or consequential upon the exercise, performance and discharge of its powers, duties and functions under this Law.

17. (1) The Commission shall have the power to enter into agreements with any enterprise in or outside the Area of Authority and to grant exemptions from any law referred to in Schedule B hereto, or to modify or vary the application of any such laws, to such enterprises in accordance with such regulations as may be made by the Minister.

Powers of
the
Commission
in relation
to any
agreement with
any enterprise.

(2) Every such agreement shall be reduced to writing and shall upon registration with the Commission, constitute a valid and binding contract between the Commission and the enterprise.

Power of Commission to make rules.

18. (1) The Commission may, with the approval of the Minister, make rules relating to the exercise, performance and discharge of the powers, duties and functions vested in or assigned to the Commission, including the power to impose or levy any charge or fee, and in respect of any matter for which rules are authorized to be made.

(2) Every rule made under subsection (1) shall come into force upon publication in the *Gazette*.

Commission to comply with general policy of the Government.

19. In the exercise of its powers and the carrying out of its objects under this Law the Commission shall comply with the general policy of the Government.

Special powers in Area of Authority.

20. (1) The written laws for the time being specified in Schedule C hereto shall have effect in the Area of Authority subject to the modification that it shall be lawful for the Commission—

(a) to make or issue for the whole or any specified part of the Area of Authority, any by-law, regulation, order or notification under any such written law ; and

(b) to exercise and discharge in the Area of Authority or any part thereof all or any of the powers or functions vested in or assigned to by any such written law in any officer or person,

in like manner as though the references in any such written law to the authority, officer or person empowered to make or issue such by-laws, regulations, orders or notifications or to exercise or discharge such powers or functions were a reference to the Commission.

(2) The Commission may by rule designate any officer or person to exercise or discharge on behalf of the Commission any power or function referred to in this section.

21. (1) The Commission shall, with the concurrence of the Minister, within the Area of Authority, exercise, perform and discharge all the powers, duties and functions of a Municipal Council and its officers and servants under the Municipal Councils Ordinance.

Administration
of Area of
Authority.

(2) The provisions of the Municipal Councils Ordinance, save and except the provisions contained in Parts I, II, III, IX, X, XI and XIV, shall, *mutatis mutandis*, apply within the Area of Authority except such provisions as are inconsistent with the provisions of this Law and every reference to the Municipal Council in such Ordinance shall be deemed to be a reference to the Commission, every reference to the Municipality shall be deemed to be a reference to the Area of Authority and every reference to the Minister shall be deemed to be a reference to the Minister to whom the subject and function of the administration of this Law has been assigned.

(3) The Commission may designate any officer or person by rule to exercise, perform and discharge within the Area of Authority any power, duty or function vested in and assigned to by the Municipal Councils Ordinance in any officer or person.

(4) Every reference in any written law to a local authority shall, in the Area of Authority, be deemed to be a reference to the Commission.

22. (1) In any case where the Area of Authority comprises the whole of the administrative area under the control of any local authority established under the Municipal Councils Ordinance, the Urban Councils Ordinance, the Town Councils Ordinance or the Village Councils Ordinance, the Commission shall be deemed to be the successor of such local authority for all purposes relating to such administrative area from the date of coming into operation of section 4 of this Law and such local authority shall be deemed to be dissolved on the date immediately preceding that date.

Commission
to be
successor
to local
authorities
dissolved
under
this Law.

(2) In any case where the Area of Authority does not comprise the whole of the administrative area under the control of any local authority established under any such Ordinance the Minister

may, with the concurrence of the Minister in charge of the subject of Local Government, by Order published in the *Gazette* direct that the provisions of subsection (1) shall apply to the area situated within the Area of Authority with such exceptions, adaptations and modifications, if any, as may be specified in the Order and in particular may by such Order issue all such directions as he may deem necessary with a view to providing for any circumstances that may arise or to determine or adjust any question or matter in the application of this section.

(3) All by-laws made by any local authority which were in force in any area on the date of coming into operation of section 4 of this Law shall, in so far as they are not inconsistent with the provisions of this Law, continue to be in force in that area and shall be deemed for all purposes to be by-laws made by the Commission under this Law.

Commission to
comply with
directions
issued by the
Minister.

23. In the exercise, performance and discharge of its powers, duties and functions under this Law, the Commission shall comply with any general or special direction issued by the Minister.

Regulations.

24. (1) The Minister may, by regulation—

- (a) determine the scope and extent of any exemption or modification of any of the written laws set out in Schedule B hereto which may be embodied or incorporated in any written agreement entered into between the Commission and any enterprise under this Law ;
- (b) modify or alter the provisions of any written law set out in Schedule C hereto in the application of such laws to the Area of Authority and modify any provisions of the Municipal Councils Ordinance as are applicable under the provisions of this Law to any Area of Authority ;
- (c) provide for any matter which is deemed by him necessary for the carrying out of the principles and provisions of this Law.

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

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

25. (1) The Commission shall, notwithstanding the provisions of any other written law, in the exercise of its powers under section 17, have the power to authorize any enterprise carrying on the business of banking to have as its constituents persons who are not citizens of Sri Lanka and to accept deposits on current accounts or otherwise from such persons.

Powers of
the
Commission
in relation
to Banks.

(2) (a) The Commission may authorize any such banking institution to operate secret numbered banking accounts of constituents who are not citizens of Sri Lanka.

(b) Where such authorization is granted, the identity of the secret numbered account shall be absolutely inviolate to any court, institution, entity, department, official, agent or representative of the Government of Sri Lanka or any foreign Government or any other legal or natural person; and accordingly any person who discloses any information relating to such accounts shall be guilty of an offence, and shall, upon conviction before a District Court, be liable, notwithstanding the ordinary jurisdiction of such Court, to imprisonment for a period not exceeding five years or to a fine not exceeding twenty-five thousand rupees or to both such imprisonment and fine.

(c) The Minister may make regulations creating offences and providing punishment for the violation of such secrecy by the institution or any of its agents or servants while so employed or after cessation of employment.

(3) All deposits accepted by the banking institution authorized by the Commission under the provisions of this section, shall be in currencies other than Sri Lanka currency.

Disputes to
be referred
for
arbitration.

26. (1) Any dispute relating to the interpretation of the provisions of any agreement or the rights of the parties to such agreement entered into under the provisions of this Law between the Commission and any enterprise shall, unless otherwise agreed to between the parties, be referred for settlement to the International Centre for Settlement of Investment Disputes established under the Convention on the Settlement of Investment Disputes between States and Nationals of other States of 1965.

(2) (a) The Commission shall be an Agency of the Republic of Sri Lanka for the purposes of conferring jurisdiction for the settlement of such disputes by the said Centre.

(b) Where any enterprise controlled by nationals of any other state has by virtue of registration or incorporation in Sri Lanka acquired Sri Lanka nationality, such enterprise shall, notwithstanding such Sri Lanka nationality, be deemed for the purpose of conferring jurisdiction on the Centre to be a national of a state other than Sri Lanka.

(3) Neither party to any agreement to refer any dispute to the Centre for arbitration shall be entitled to withdraw such consent at any time thereafter.

(4) Any award made upon such reference shall be final and binding on the parties and shall not be subject to any appeal or any other remedy, except those provided for under the aforesaid Convention.

(5) Any such award may be enforced in Sri Lanka in the District Court of Colombo as a decree of that Court and the provisions of the law relating to the execution of a decree of that Court shall apply.

Special
provisions
relating to
customs.

27. (1) The Commission shall permit Customs Offices to be established in the Area of Authority and shall provide adequate facilities for officers of Customs whose duties require their presence within or at the perimeter of the Area of Authority. The Commission shall, where necessary, provide for similar facilities within the premises of any area enterprise or licensed enterprise.

(2) (a) No wholesale or retail trade shall be conducted by any area enterprise or licensed enterprise unless authorized under the agreement entered into with the Commission subject to such terms and conditions contained therein.

(b) Any goods, wares or merchandise taken out of the premises of any such enterprise in any manner whatsoever other than in accordance with the terms of the agreement entered into with the Commission shall be deemed to be imported into Sri Lanka and the provisions of the Customs Ordinance including the provisions relating to forfeiture, penalties and offences, shall apply in respect of such goods, wares or merchandise.

28. (1) Where any land or any interest in any land is required by the Commission for any of its purposes, that land or interest therein may be acquired under the Land Acquisition Act by the Government for the Commission and the provisions of that Act shall, save as otherwise provided in subsection (2) of this section, apply for the purposes of the acquisition of that land, or interest therein. Such land or such interest therein shall, for the purposes of the Land Acquisition Act, be deemed to be required for a public purpose.

Compulsory
acquisition
of land in an
Area of
Authority.

(2) In the case of any such acquisition where the public notice of the intention to acquire that land or interest therein is published as required by the Land Acquisition Act at any time within the period of five years commencing from the date of coming into operation of section 4 of this Law, notwithstanding anything to the contrary in the Land Acquisition Act, the market value of the land or the interest therein shall be deemed to be the market value which the land or the interest therein would have had on July 22, 1977, increased by a reasonable amount on account of improvements, if any, effected to such land, after that date.

29. The provisions of the laws set out hereunder shall have no application to any area enterprise or licensed enterprise unless expressly provided otherwise in the agreement entered into by such enterprise with the Commission—

Inapplicability
of certain law
to enterprises.

(a) the Business Undertakings (Acquisition) Act, No. 35 of 1971 ; and

(b) the Companies (Special Provisions) Law, No. 19 of 1974.

Fund of the
Commission.

30. (1) There shall be a Fund established for the general financial purposes of the Commission. There shall be paid into the Fund—

- (a) any grants made or loans given by the Government of Sri Lanka ;
- (b) all rates, taxes, duties, fees, charges and penalties levied by the Commission under the by-laws or rules made or deemed to be made under the provisions of this Law or in the exercise of any powers conferred on the Commission by or under this Law ;
- (c) all revenues derived by the Commission from any property vested in or administered by the Commission ;
- (d) all revenues derived by the Commission from services provided by the Commission ; and
- (e) all other sums otherwise accruing to the credit of the Commission.

(2) The Commission shall make rules, with the concurrence of the Minister, for the withdrawal of any moneys from the Fund and no sum shall be withdrawn from the Fund except in accordance with such rules.

Audit of
accounts.

31. (1) 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.

(2) The financial year of the Commission shall be the calendar year.

(3) (a) The Minister may, when he considers it necessary to do so, direct any person to hold an inquiry into the work, accounts and financial position of the Commission.

(b) Where an inquiry is held under paragraph (a), any member of the Commission or any member of the staff of the Commission shall, upon being requested to do so by the person, holding the inquiry, furnish such information within his knowledge with regard to the affairs of the Commission and produce such books of accounts or documents in his custody as that person may require.

32. The Commission shall be exempt from the payment of any tax, levy, charge or duty under the provisions of the Inland Revenue Act, No. 4 of 1963, the Customs Ordinance (Chapter 235) and the Imports and Exports (Control) Act, No. 1 of 1969.

Exemption of Commission from taxes.

33. Any member, officer or servant of the Commission shall be deemed to be a state officer within the meaning of and for the purposes of the Penal Code.

Members, officers and servants of the Commission deemed to be state officers.

34. 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.

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

35. In this Law unless the context otherwise requires—

Interpretation.

“ area enterprise ” means an enterprise with which the Commission has entered into an agreement under section 17 and which carries on business or is proposing to carry on business within the Area of Authority ;

“ enterprise ” means any sole proprietorship, partnership, company or co-operative society wherever registered or incorporated under any law for the time being in force relating to companies, co-operative societies or businesses and engaged in or proposing to engage in any business which in the opinion of the Commission would achieve or assist in the achievement of the objects of the Commission ;

“ licensed enterprise ” means an enterprise with which the Commission has entered into an agreement under section 17 and which carries on or proposes to carry on any business outside the Area of Authority ; and

“ local authority ” means any Municipal Council, Urban Council, Town Council or Village Council.

[SECTION 17]

SCHEDULE B

- The Inland Revenue Act, No. 4 of 1963.
- The Customs Ordinance (Chapter 235).
- The Exchange Control Act (Chapter 423).
- The Companies Ordinance (Chapter 145).
- The Merchant Shipping Act, No. 52 of 1971.
- The Finance Act, No. 65 of 1961.
- The Air Navigation Act (Chapter 365).

[SECTION 20]

SCHEDULE C

- The Merchant Shipping Act, No. 52 of 1971.
- The Town and Country Planning Ordinance (Chapter 269).
- The Housing and Town Improvement Ordinance (Chapter 268).
- The Entertainment Tax Ordinance (Chapter 267).
- The Thoroughfares Ordinance (Chapter 193).
- The Vehicles Ordinance (Chapter 202).
- The Companies Ordinance (Chapter 145).
- The Trade Marks Ordinance (Chapter 150).
- The Business Names Ordinance (Chapter 149).
- The Merchandise Marks Ordinance (Chapter 151).
- The Patent Ordinance (Chapter 152).
- The Designs Ordinance (Chapter 153).
- The Copyright Ordinance (Chapter 154).
- The Weights and Measures Ordinance (Chapter 158).
- The Air Navigation Act (Chapter 365)