



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

FOREIGN LOANS (AMENDMENT)
ACT, No. 23 OF 1980

[Certified on 6th June, 1980]

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**Foreign Loans (Amendment)
Act, No. 23 of 1980**

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L. D.—O. 29/80

AN ACT TO AMEND THE FOREIGN LOANS ACT, NO. 29 OF 1957.

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

1. This Act may be cited as the Foreign Loans (Amendment) Act, No. 23 of 1980. Short title.

2. The long title to the Foreign Loans Act, No. 29 of 1957, (hereinafter referred to as the “principal enactment”) is hereby repealed and the following long title substituted therefor :— Replacement of long title to Act No. 29 of 1957.

“An Act to make provision regarding Foreign Loans to the Government of Sri Lanka and for the guarantee by the Government of Sri Lanka of Foreign Loans to Public Corporations and Public Enterprises.”

3. Sections 2, 3 and 4 of the principal enactment are hereby repealed and the following sections substituted therefor :— Replacement of sections 2, 3 and 4 of the principal enactment.

“Person empowered to sign agreements & c. relating to foreign loans to the Government of Sri Lanka and guarantees given by the Government of Sri Lanka”

2. The President or any person specially authorized by him in that behalf may, in the name and on behalf of the Government of Sri Lanka, sign—

(a) an agreement relating to a foreign loan to the Government of Sri Lanka ;

(b) a guarantee by the Government of Sri Lanka relating to a foreign loan to a public corporation or public enterprise ; and

(c) any contract, bond, promissory note or other document required by such agreement or guarantee to be executed by the Government of Sri Lanka.

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Sums payable by the Government of Sri Lanka under agreements and guarantees to be a charge on the Consolidated Fund of Sri Lanka.

3. All sums payable by the Government of Sri Lanka—

- (a) under an agreement relating to a foreign loan to the Government of Sri Lanka ;
- (b) in terms of a guarantee relating to a foreign loan to a public corporation or public enterprise ; and
- (c) under any contract, bond or promissory note executed pursuant to such agreement or guarantee,

are hereby charged on the Consolidated Fund of Sri Lanka.

Power of Minister of Finance to make provision to give effect to an agreement or guarantee relating to a foreign loan.

4. (1) The Minister in charge of the subject of Finance may, by Order published in the *Gazette*, make such provision as may be necessary to give effect to an agreement relating to a foreign loan to the Government of Sri Lanka or to a guarantee given by the Government of Sri Lanka relating to a foreign loan to a public corporation or public enterprise.

(2) Every Order made and published under subsection (1) shall have the force of law.

(3) Every Order made and published under subsection (1) shall be presented in Parliament within one month of the making of such Order.”

Replacement of section 5 of the principal enactment.

4. Section 5 of the principal enactment is hereby repealed and the following section substituted therefor:—

*Inter-pretation.

5. In this Act—

“foreign loan” means a loan in any currency granted to the Government of Sri Lanka or to a public corporation or public enterprise—

(a) by a foreign Government or the agency of a foreign Government, or

(b) by any international organization, or

(c) by a person or body of persons outside Sri Lanka, whether corporate or unincorporate, as may be approved by the Government of Sri Lanka generally or in respect of a particular transaction,

and includes any sum of money which the Government of Sri Lanka or the public corporation or public enterprise, as the case may be, undertakes to pay any such foreign Government, agency, organization, person or body of persons that discharges any liability of the Government of Sri Lanka or the public corporation or public enterprise, as the case may be, in respect of any transaction between the Government of Sri Lanka, public corporation or public enterprise, as the case may be, and any person outside Sri Lanka ;

“ 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 funds or capital wholly or partly provided by the Government of Sri Lanka by way of grant, loan or otherwise ;

“ public enterprise ” means any company which is registered under the Companies Ordinance and in which the Government of Sri Lanka holds not less than fifty per centum of the paid-up capital. ;