



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**COMMERCIAL MEDIATION CENTRE OF
SRI LANKA
ACT, No. 44 OF 2000**

[Certified on 9th August, 2000]

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*Commercial Mediation Centre of Sri Lanka
Act, No. 44 of 2000*

[Certified on 9th August, 2000]

L. D. – O.42/99.

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE COMMERCIAL
MEDIATION CENTER OF SRI LANKA; AND FOR MATTERS
CONNECTED THEREWITH OR INCIDENTAL THERETO

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

1. This Act may be cited as the Commercial Mediation
Centre of Sri Lanka Act, No. 44 of 2000, 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

COMMERCIAL MEDIATION CENTRE OF SRI LANKA

2. (1) There shall be established a Centre to be called
the Commercial Mediation Centre of Sri Lanka (hereinafter
referred to as “the Centre”).

Establishment of
the Sri Lanka
Commercial
Mediation Centre.

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

(3) The head office of the Centre shall be in Colombo. The
Board of Management of the Centre may establish such branch
offices of the Centre as the Board may consider necessary in
places in Sri Lanka, outside Colombo.

3. The functions of the Centre shall be –

Functions of the
Centre.

(a) to promote the wider acceptance of mediation and
conciliation for the resolution and settlement of
commercial disputes ;

(b) to encourage parties to resolve commercial disputes
by mediation and conciliation ;

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(c) to conduct, and facilitate the conduct of, proceedings for –

(i) the settlement of commercial disputes ;

(ii) the adjustment of differences arising between parties in commercial matters,

by mediation and conciliation.

Powers of the
Centre.

4. The Centre shall have the following powers :–

(a) to acquire and to hold, property, both movable and immovable, and to pledge or sell, mortgage, give on lease or hire, exchange, or otherwise dispose of, the same ;

(b) to accept grants, gifts or donations from persons or bodies of persons, in or outside Sri Lanka ;

(c) to enter into, and perform, all such contracts and agreements as may be necessary for the purposes of discharging its functions ;

(d) to appoint such officers and servants as may be necessary for the discharge of its functions and to exercise disciplinary control over, and dismiss, such officers and servants ;

(e) to determine the remuneration payable to, and the terms and conditions of service of, such officers and servants ;

(f) to charge fees for services and facilities provided by it ;

(g) to borrow or raise money, with or without security ;

(h) to open, operate and close, bank accounts ;

- (i) to conduct training courses and workshops for the purposes of discharging its functions ;
- (j) to invest its unutilized moneys in such securities as may be approved by the Minister with the concurrence of the Minister in charge of the subject of Finance; and
- (k) to do all such other acts as may be necessary for, or conducive to, for the proper discharge of it's functions.

5. (1) The administration and management of the affairs of the Centre shall be vested in a Board of Management (hereinafter referred to as "the Board") consisting of the following members appointed by the Minister: –

Board of
Management.

- (a) one member nominated by the Ceylon Chamber of Commerce, incorporated by the Chamber of Commerce Ordinance (Chapter 289) ;
- (b) one member nominated by the National Chamber of Commerce of Sri Lanka ;
- (c) one member nominated by the Federation of Chambers of Commerce and Industry of Sri Lanka ;
- (d) one member nominated by the Ceylon National Chamber of Industries, incorporated by the Ceylon National Chamber of Industries Act, No. 10 of 1969 ; and
- (e) one member nominated by the Minister in charge of the subject of Justice.

(2) A member of the Board may at any time resign his office by letter in that behalf addressed to the Minister.

(3) The Minister may, for reasons assigned, remove a member of the Board from office.

(4) Where a member of the Board dies, resigns or is removed from office, the Minister may, having regard to the provisions of subsection (1), appoint another member in his or her place. The member so appointed shall, unless he or she earlier dies, resigns or is removed from office, hold office for the unexpired period of the term of office of the member whom he or she succeeds.

(5) Subject to the provisions of subsections (2), (3) and (4), the term of office of a member of the Board shall be three years.

(6) A member of the Board vacating office by effluxion of time shall be eligible for reappointment.

Chairman
of the Board of
Management.

6. (1) The members of the Board shall elect the Chairman of the Board from among themselves.

(2) The Chairman of the Board (hereinafter referred to as "the Chairman") may resign from the office of Chairman by letter in that behalf addressed to the Board.

(3) The Board may by a resolution supported by not less than one half of the total membership of the Board, remove the Chairman from the office of Chairman.

(4) Subject to the provisions of subsections (2) and (3), the term of office of the Chairman shall be his period of membership of the Board.

Meetings of the
Board.

7. (1) If the Chairman is present at a meeting of the Board, he or she shall preside thereat. In the absence of the Chairman from any meeting of the Board, the members present shall elect, a Chairman for that meeting, from among themselves.

(2) The quorum for a meeting of the Board shall be three.

(3) In the event of an equality of votes on any matter to be decided by the Board at a meeting of the Board, the Chairman or the member presiding at that meeting shall, in addition to his or her own vote, have a casting vote.

(4) Subject to the preceding provisions of this section, the Board may regulate the procedure in regard to its meetings and the transaction of business at such meetings.

8. (1) The seal of the Centre shall be in the custody of the Chairman or any officer of the Centre authorized by the Chairman.

Seal of the Centre.

(2) The seal of the Centre may be altered in such manner as may be determined by the Board.

(3) The seal of the Centre shall not be affixed to any instrument or document except with the sanction of the Board and in the presence of the Chairman or a member of the Board authorized in that behalf by the Board, who shall sign the instrument or document in token of his or her presence.

PART II

FINANCE

9. (1) The Centre shall have its own Fund.

The Fund of the Centre.

(2) There shall be paid to the Fund of the Centre —

- (a) all such sums of money as may be voted by Parliament, from time to time, for the use of the Centre ;
- (b) all such sums of money as may be received by the Centre in the exercise, performance and discharge, of its powers, functions and duties, under this Act;
- (c) all such sums of money as may be received by the Centre, as loans, donations, gifts or grants, from local or foreign sources.

(3) There shall be paid out of the Fund of the Centre, all such sums of money as may be required to defray any expenditure incurred by the Board in the exercise, performance and discharge, of the powers, duties and functions of the Centre.

Audit of accounts. 10. (1) The Board shall cause proper accounts to be kept of the income and expenditure, assets and liabilities and all other transactions, of the Centre.

(2) Article 154 of the Constitution shall apply to the audit of the accounts of the Centre.

Financial year of the Centre. 11. The financial year of the Centre shall be the calendar year.

PART III

GENERAL

Rules. 12. (1) The Board may make rules for the purpose of giving effect to the principles and provisions of this Act.

(2) Without prejudice to the generality of the powers conferred on it by subsection (1), the Board may make rules in respect of all or any of the following matters :—

(a) the form and manner in which applications are to be made to the Centre, for the resolution of commercial disputes by mediation and conciliation ;

(b) the procedure to be followed for the resolution of commercial disputes, by mediation and conciliation ;

(c) the code of conduct for mediators appointed for the resolution of commercial disputes, by mediation and conciliation ;

(d) fees payable in respect of proceedings for the resolution of commercial disputes by mediation and conciliation.

(3) No rule made under this section shall have effect until it is approved by the Minister and notification of such approval is published in the Gazette.

13. (1) No action or prosecution shall be instituted against a member of the Board or an officer or servant of the Centre for any act which is done in good faith by such member, officer or servant under this Act, or on the direction of the Board.

Protection of action.

(2) Any expense incurred by the Centre in any action or prosecution brought by or against the Centre before any court shall be paid out of the Fund of the Centre, and any costs paid to, or recovered by, the Centre in any such action or prosecution shall be credited to the Fund of the Centre.

(3) Any expenses incurred by any such person as is referred to in subsection (1) in any action or prosecution brought against that person in any court in respect of any act done by that person under this Act, or on the direction of the Board, shall, if the court holds that such act was done in good faith, be paid out of the Fund of the Centre, unless such expense is recovered by that person in that suit or prosecution.

14. All members of the Board and the officers and servants of the Centre shall be deemed to be public servants within the meaning, and for the purposes, of the Penal Code.

Members of the Board and officers and servants of the Centre deemed to be public servants for the purposes of the Penal Code.

15. The Centre 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.

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

16. (1) in computing the period of prescription in regard to any cause of action, the period —

Prescription.

- (a) commencing on the date on which an application is made to the Centre for the resolution of the commercial dispute constituting that cause of action, by mediation and conciliation ; and

- (b) ending on the date on which proceedings for mediation of that commercial dispute are terminated, otherwise than by the conclusion of an agreement between the parties,

shall be disregarded, notwithstanding anything to the contrary in any other law.

(2) Where in an action instituted in any court, the question arises as to whether the cause of action giving rise to that action is prescribed, a certificate signed by the Chairman of the Board, specifying the dates respectively, on which —

- (a) application was made to the Centre for the resolution of the commercial dispute constituting that cause of action, by mediation and conciliation ; and
- (b) proceedings for the resolution of that commercial dispute by mediation were terminated, otherwise than by the conclusion of an agreement between the parties,

shall be admissible in evidence without proof of signature, and shall be evidence of the facts stated therein.

Sinhala text to prevail in case of any inconsistency.

17. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Annual subscription of English Bills and Acts of the Parliament Rs. 885 (Local), Rs. 1,180(Foreign). payable to the SUPERINTENDENT, GOVERNMENT PUBLICATIONS BUREAU, No. 32, TRANSWORKS HOUSE, LOTUS ROAD, COLOMBO 01 before 15th December each year in respect of the year following.