



PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

ECONOMIC AND RURAL RESOURCES DEVELOPMENT FOUNDATION (INCORPORATION)

A

BILL

to incorporate the Economic and Rural Resources Development
Foundation

*Presented by Hon. D. V. Chanaka, M.P. for
Hambanthota District on 24th of July, 2026*

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*Economic and Rural Resources Development
Foundation (Incorporation)*

AN ACT TO INCORPORATE THE ECONOMIC AND RURAL
RESOURCES DEVELOPMENT FOUNDATION

WHEREAS a Foundation called and known as the Preamble
“Economic and Rural Resources Development Foundation”
has heretofore been established in Sri Lanka for the purpose
of effectually carrying out its objects and transacting all
5 matters connected with the said Foundation according to the
rules agreed to by its members.

AND WHEREAS the said Foundation has heretofore
successfully carried out and transacted the several objects
and matters for which it was established and has applied to
10 be incorporated and it will be for the public advantage to
grant the said application.

BE it therefore, enacted by the Parliament of the Democratic
Socialist Republic of Sri Lanka as follows:-

1. This Act may be cited as the Economic and Rural Short title
15 Resources Development Foundation (Incorporation) Act,
No. of 2026.

2. (1) From and after the date of commencement of this Incorporation
Act, such and so many persons as now are members of the of the Economic
Economic and Rural Resources Development Foundation and Rural
20 (hereinafter referred to as the “Foundation”) and shall Resources
hereafter be admitted as members of the body corporate Development
hereby constituted shall have perpetual succession under Foundation
the name and style of the “Economic and Rural Resources
Development Foundation” (hereinafter referred to as the
25 “body corporate”), and by that name may sue and be sued
with full power and authority to have and use a common seal
and to alter the same at its pleasure.

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(2) The body corporate shall be deemed to be a Voluntary Social Service Organization within the meaning and for the purpose of the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 and the provisions of that Act shall apply to and in relation to the management of the affairs of the body corporate.

3. (1) Subject to the provisions of any other written law, this Act and the rules made under section 7, the general objects for which the body corporate is constituted are hereby declared to be to

General
objects of
the body
corporate

- (a) contribute to national and social development by developing, promoting, establishing, expanding or modernising all economic sectors in Sri Lanka;
- (b) initiate, conduct and support human resource development programmes aimed at vocational training, technical education, leadership development, life skills and capacity building of the rural youth and adult community;
- (c) provide membership to societies, associations and organisations with similar objectives, and upon the approval of the Board of Management, to enter into written agreements under terms and conditions deemed appropriate by the Foundation and to guide them in advancing shared objectives;
- (d) facilitate and encourage collaborative ventures between domestic and international institutions with the aim of introducing advanced technical knowledge, managerial expertise and marketing capabilities into the country;

- (e) establish and operate branch offices or representative units within Sri Lanka or in other jurisdictions;
- 5 (f) find solutions to prevent drug and substance abuse through education, counseling, rehabilitation support and raising awareness among communities;
- 10 (g) encourage and support micro-entrepreneurship by facilitating skills development, business planning assistance, access to technology and opportunities for income-generating projects among unemployed women and marginalised groups;
- 15 (h) empower rural, estate and underserved communities through the provision of tools, training, education and institutional linkages that foster inclusive and sustainable development pathways;
- 20 (i) provide professional education and practical guidance on soil conservation, sustainable land utilization, erosion control and related agricultural management techniques; and
- 25 (j) to do all such other acts and things as are necessary for and incidental or conducive to the attainment of the above objects.

(2) In the implementation of the objects specified in subsection (1) the body corporate shall ensure that such implementation shall be carried out without any distinction based on race, religion, language, caste, sex, political
5 opinion, place of birth or any of such grounds.

4. The objects of the body corporate shall be carried out subject to any applicable written law, in such manner so as not to create any conflict between the work of the body corporate and any work being carried out simultaneously
10 by any Ministry or Department of the Government or of any Provincial Council or any Local Authority or Public Corporation.

Body corporate to ensure no conflict with work of Ministry or Department of the Government or Provincial Council or any Local Authority or Public Corporation

5.(1) Subject to the provisions of any other written law, this Act and the rules made under section 7, the management
15 and administration of the affairs of the body corporate shall be carried out by a Governing Council (hereinafter referred to as the "Council") consisting of such number of office bearers as may be specified by rules made under section 7 and in such a manner as may be specified therein.

Management of the affairs of the body corporate

20 (2) (a) The Council of the Economic and Rural Resources Development Foundation holding office on the day immediately preceding the date of commencement of this Act shall, subject to the rules made under paragraph (b), function as an Interim Council of the body corporate until
25 the first Council is appointed or elected within the period specified in the paragraph (d) and in the manner provided for by rules made under section 7.

(b) Subject to the provisions of subsections (2), (3), (4) and (5) of section 7, the Interim Council of the body
30 corporate shall have the power to make rules for the interim administration of the body corporate not inconsistent with the provisions of this Act or any other written law.

(c) Any decision of the Interim Council shall be taken by the majority of its members present at such meeting.

5 (d) The First Council of the body corporate shall be appointed or elected within one year of the date of commencement of this Act.

10 (3) (a) Every office bearer of the Council including the patrons and advisors, shall be appointed or elected for a period of three years and any such office bearer, patron or advisor shall be eligible for re-appointment or re-election after lapse of the said period of three years.

(b) In the event of a vacancy occurring due to the death, resignation, incapacity or removal from office of an office bearer, the Council shall having regard to the rules of the body corporate, elect or appoint a person to fill such vacancy.

15 (c) The person elected or appointed under paragraph (b) shall hold office only for the unexpired portion of the term of office of the member whom he succeeds.

20 6. Subject to the provisions of any other written law, this Act and the rules made under section 7, the body corporate shall have the power to do, perform and execute the following acts for the attainment of the objects of the body corporate - Powers of the body corporate

25 (a) to purchase, rent, construct, renovate and otherwise obtain lands or buildings which may be required for the purposes of the body corporate and to deal with or dispose of the same as determined by the Council with a view to promoting the objects of the body corporate;

5 (b) to enter into and perform or carry out, whether directly or through any officer or agent authorized in that behalf by the body corporate, all such contracts or agreements as may be necessary for the attainment of the objects or the exercise of the powers of the body corporate;

10 (c) to borrow or raise funds with or without securities and to receive grants, gifts or donations, in cash or kind for the attainment of the objects of the body corporate:

15 Provided that, the Council shall obtain the prior written approval of the Department of External Resources in respect of all foreign funds including grants, gifts or donations received by or made to the body corporate;

20 (d) subject to the provisions of the proviso to paragraph (c), to make, draw, accept, discount, endorse, negotiate, buy, sell and issue bills of exchange, cheques, promissory notes and other negotiable instruments and to open, operate, maintain and close accounts in any bank;

 (e) to invest any funds not immediately required for the purposes of the body corporate in such manner as the Council may determine;

25 (f) to undertake, accept, execute, perform and administer any lawful trust having objects similar to the body corporate or any real or personal property with a view to promoting the objects of the body corporate;

- 5 (g) to appoint, employ, dismiss or terminate the services of officers and servants of the body corporate and exercise disciplinary control over them and to pay them such salaries and allowances as may be determined by the body corporate in terms of rules made under section 7 of the Act;
- (h) to organize lectures, seminars, trainings and conferences with a view to promoting the objectives of the body corporate;
- 10 (i) to liaise and co-ordinate with other local and foreign institutions having similar objects to that of the body corporate; and
- (j) to do such things as are authorized by this Act for the achievement of the objects of the body corporate.
- 15

7. (1) The body corporate shall, from time to time, at any general meeting of the body corporate and by a majority of not less than two-thirds of the members present and voting, make rules which are not inconsistent with the provisions of this Act or any other written law, for the following matters:-

20

Rules of
the body
corporate

- (a) the classification of membership, admission, withdrawal, expulsion or resignation of members and fees payable by such members;
- (b) the election of office bearers of the Council and vacation of or removal from office of office bearers and the powers, duties and functions of the office bearers;
- 25

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- 5 (c) the terms and conditions of appointment, powers, functions and duties, dismissal or termination of services, the exercise of disciplinary control and the payment of salaries and allowances of officers and servants of the body corporate;
- 10 (d) the procedure to be followed for the summoning and holding of meetings of the body corporate and of the Council and for the issuance of notices and agenda of such meetings, the quorum and the conduct of business thereat;
- (e) the qualifications and disqualifications to be a member of the body corporate and of the Council;
- (f) the administration and management of the property of the body corporate;
- 15 (g) the procedure for governing the manner of liaising, coordinating and contracting with other local and foreign institutions having objects similar to that of the body corporate; and
- 20 (h) generally the management of the affairs of the body corporate, the accomplishment of its objects and dissolution of the body corporate.

(2) Any rule made by the body corporate may be amended, altered, added to or rescinded at a like meeting and in like manner, as a rule made under subsection (1) of this section.

(3) The rules made under subsection (1) of this section and paragraph (b) of subsection (2) of section 5 of this Act shall be published in the *Gazette* within one month upon the making of such rules and shall come into effect on the date of publication thereof.

(4) Every rule made by the body corporate shall within two months of its publication in the *Gazette*, be brought before Parliament for approval. Any rule which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything duly done thereunder.

(5) Notification of the date on which any such rule is deemed to be so rescinded under subsection (4) shall be published in the *Gazette*.

(6) The members of the body corporate shall at all times be subjected to the rules of the body corporate.

8. The Council shall maintain a register of members in which the name, address and other essential details of the members of the body corporate shall be inscribed.

Register of members

9. (1) The body corporate shall have its own Fund.

Fund of the body corporate

(2) Subject to the provisions of the proviso to paragraph (c) of section 6, all moneys received by way of gifts, bequests, donations, subscriptions, contributions, fees or grants for and on account of the body corporate shall, be deposited in one or more banks approved by the Council to the credit of the body corporate.

(3) There shall be paid out of the Fund, all such sums of money as are required to defray any expenditure incurred by the body corporate in the exercise, performance and discharge of its powers, duties and functions under this Act.

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10. (1) The financial year of the body corporate shall be the calendar year. Accounts and Auditing

(2) The body corporate shall cause proper accounts to be kept of income and expenditure, assets and liabilities and all
5 other transactions of the body corporate.

(3) The accounts of the body corporate shall be audited annually by the Auditor General or a qualified auditor appointed by the Auditor General in terms of the provisions of Article 154 of the Constitution and be certified by Auditor
10 General or such qualified auditor.

(4) For the purpose of this section “qualified auditor” means-

(a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or any
15 other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or

(b) a firm of Accountants each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any
20 other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute.

11. (1) The Council shall prepare a report of the activities Annual Report
25 of the body corporate for each financial year and submit such report together with the audited statement of accounts, a list of all assets and liabilities of the body corporate certified by the Auditor-General or qualified auditor appointed by the Auditor-General, referred to in section 10 and the details
30 of all contracts and agreements entered into by the body

corporate and the rules of the body corporate made under section 7, to the Secretary of the Ministry of the Minister assigned the subject of Social Services and to the Registrar of Voluntary Social Services Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 before the expiration of six months of the year succeeding the year to which such report relates.

(2) A separate statement of accounts relating to the foreign and local moneys received by the body corporate during the financial year shall be attached to the report referred to in subsection (1).

12. All debts and liabilities of the Economic and Rural Resources Development Foundation existing on the day immediately preceding the date of commencement of this Act, shall be paid by the body corporate hereby constituted and all debts due to and subscriptions and contributions payable to the Economic and Rural Resources Development Foundation on that day shall be paid to the body corporate for the purposes of this Act.

Debts due
by and
payable to
the Economic
and Rural
Resources
Development
Foundation

13. Subject to the provisions of any other written law, of this Act and the rules made under section 7, the body corporate shall be able and capable in law to take and hold any property, movable or immovable, which may become vested in it by virtue of any purchase, grant, gift, testamentary disposition or otherwise, and all such property shall be held by the body corporate for the purpose of this Act and subject to the rules of the body corporate made under section 7, with power to sell, mortgage, lease, exchange or otherwise dispose of the same.

Body
corporate
may hold
property
movable and
immovable

14. Subject to the provisions of any other written law, of this Act and the rules made under section 7, the moneys and property of the body corporate however derived shall be applied solely towards the promotion of the objects of the body corporate and no portion thereof shall be paid or

Application
of moneys
property

transferred directly or indirectly by way of dividend, bonus or profit or otherwise howsoever to the members of the body corporate.

15 **15.** (1) Subject to the provisions of any other written law, the seal of the body corporate shall not be affixed to any instrument whatsoever, except in the presence of two members of the Council who shall sign their names to the instrument and such signing shall be independent of the signing of any person as a witness. Seal of the body corporate

10 (2) The seal of the body corporate shall be in the custody of an office bearer of the Council as may be decided by the Council.

15 **16.** (1) If upon the dissolution of the body corporate there remains after the satisfaction of all its debts and liabilities any property whatsoever, such property shall not be distributed among the members of the body corporate, but shall be given or transferred to any other appropriate institution having objects similar to those of the body corporate, and which is by the rules thereof, prohibited from distributing any income or property among its members. Property remaining on dissolution

25 (2) For the purposes of subsection (1) the appropriate institution shall be determined by the members of the body corporate with the approval of the Registrar of Voluntary Social Service Organizations appointed under the Voluntary Social Service Organizations (Registration and Supervision) Act, No. 31 of 1980 immediately before the dissolution at a general meeting by the majority of votes of the members present.

30 **17.** Nothing in this Act contained shall prejudice or affect the rights of the Republic or of any body politic or corporate. Saving of the rights of the Republic

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Foundation (Incorporation)

18. In this Act, unless the context otherwise requires - Interpretation

“bank” means, a bank licenced under the provisions of the Banking Act, No. 30 of 1988; and

5 “written law” shall have the same meaning assigned to such expression in the Constitution of the Democratic Socialist Republic of Sri Lanka.

19. In the event of any inconsistency between the Sinhala
10 and Tamil texts of this Act, the Sinhala text shall prevail. Sinhala text to prevail in case of inconsistency

