



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

**RUHUNU ECONOMIC DEVELOPMENT
CORPORATION OF SRI LANKA**

**A
BILL**

to provide for the establishment of the Ruhunu Economic Development Corporation of Sri Lanka for the purpose of identifying, formulating and co-ordinating the implementation of Economic Development Projects, Plans, Programmes or Schemes within the Ruhunu Development Area and for matters connected therewith or incidental thereto

*Presented by the Minister of Ports and Shipping and
Southern Development on 21st of August, 2019*

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*Ruhunu Economic Development Corporation of
Sri Lanka*

L.D.—O. 63/2018

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE RUHUNU ECONOMIC DEVELOPMENT CORPORATION OF SRI LANKA FOR THE PURPOSE OF IDENTIFYING, FORMULATING AND CO-ORDINATING THE IMPLEMENTATION OF ECONOMIC DEVELOPMENT PROJECTS, PLANS, PROGRAMMES OR SCHEMES WITHIN THE RUHUNU DEVELOPMENT AREA AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

WHEREAS it has become necessary to lay down the National Policy on Ruhunu Economic Development to encourage rapid economic development specifically trade, exports, technology, tourism and modern agriculture employment opportunities to secure a sustainable economic development in Sri Lanka;

Preamble.

AND WHEREAS it has become a matter of national importance to establish a corporation for the purpose of fostering the economic development:

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

1. This Act may be cited as the Ruhunu Economic Development Corporation of Sri Lanka Act, No. of 2019.

Short title.

PART I

ESTABLISHMENT OF THE RUHUNU ECONOMIC DEVELOPMENT CORPORATION OF SRI LANKA

2. (1) There shall be established a corporation which shall be called and known as the Ruhunu Economic Development Corporation of Sri Lanka (hereinafter referred to as the “Corporation”).

Establishment of the Ruhunu Economic Development Corporation of Sri Lanka.

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Sri Lanka*

(2) The Corporation 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 such name.

3. The objects of the Corporation shall be to-

Objects of
the
Corporation.

- 5 (a) promote internationally focused competitive market driven and rapid sustainable economic development within the Area by implementing the economic development projects, plans, programmes or schemes formulated under section 18;
- 10 (b) develop a strategic logistic hub with a port and an airport;
- (c) establish and designate economic development zones; and
- 15 (d) promote local and foreign investments in the designated economic development zones.

4. Subject to the provisions of the Constitution and any written law, the powers, functions and duties of the Corporation shall be to-

Powers,
functions and
duties of the
Corporation.

- 20 (a) formulate a mechanism to stimulate, expand, develop and strengthen the economic base of Sri Lanka by giving effect to economic development projects, plans, programmes or schemes formulated under section 18;
- 25 (b) provide infrastructure facilities for designated economic development zones including roads, water supply, housing and such other facilities and amenities as required by any economic development projects, plans, programmes or schemes formulated under section 18;
- 30

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- 5 (c) carry out detailed studies of the economic development projects, plans, programmes or schemes and identify the economic development projects, plans, programmes or schemes in the overall development plan for the designated economic development zones, on priority basis;
- (d) accept grants, gifts or donations from persons or bodies of persons, in or outside Sri Lanka;
- 10 (e) establish and enhance the co-operation between inter-agencies of every ministry, department, provincial council, provincial ministry and department and local authority and other persons or body of persons whether private or public in carrying out studies and implementation of economic development projects, plans, programmes or schemes;
- 15 (f) implement the economic development projects, plans, programmes or schemes in the designated economic development zones;
- 20 (g) secure the participation of foreign and local private sector agencies in carrying out detailed studies and implementation of economic development projects, plans, programmes or schemes in the designated economic development zones;
- 25 (h) administer the designated economic development zones;
- 30 (i) maintain any office or stores outside the designated economic development zones and execute outside such designated economic development zones any such work as may be necessary;
- (j) communicate the activities undertaken by the Corporation to the public ;
- (k) secure and obtain technical and financial assistance;

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- (l) secure local and foreign collaboration for carrying out studies and implementation of economic development projects, plans, programmes or schemes in the Area;
- 5 (m) request ministry, department, provincial council, provincial ministry and department and local authority and other persons or body of persons with the concurrence of the Minister to take over, maintain and operate any economic development projects, plans, programmes or schemes;
- 10 (n) establish divisions as may be necessary of the Corporation;
- (o) carry out research relating to the economic and social development of the Area;
- 15 (p) cause to prepare an environmental impact assessment report in respect of any economic development projects, plans, programmes or schemes within the Area;
- 20 (q) provide assistance to facilitate the designated economic development zone developers and enterprises within a zone by establishing a one stop unit to channel all their applications for permits, approvals, licenses and facilities for all clearances required for the establishment and operation, and coordinate with government or private entities as may be necessary;
- 25 (r) make recommendations to the Minister on policy matters on all aspects of designation, approval, establishment, operation and regulation of designated economic development zones including individual enterprises within the Area;
- 30 (s) promote local and foreign investment thereby enhancing the employment opportunities within the designated economic development zones;

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- 5 (t) hold shares in a public-private partnership entity established for the purpose of developing and managing the designated economic development zone or any other purpose approved by the Cabinet of Ministers;
- (u) impose or levy a charge for the services rendered by the Corporation within the designated economic development zones;
- 10 (v) ensure utilization of any financial assistance rendered by the Corporation to any person in carrying out an economic development project, plan, programme or scheme;
- 15 (w) purchase, acquire, erect, maintain, reconstruct or adapt any offices, plants, machinery or other material necessary for the implementation of any economic development projects, plans, programmes or schemes;
- 20 (x) acquire in any manner whatsoever and hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of, any immovable property; and
- (y) do all such other acts as may be incidental or conducive to the attainment of the objects of the Corporation.

PART II

25 ADMINISTRATION AND MANAGEMENT OF THE AFFAIRS OF THE CORPORATION

5. (1) The administration and management of the affairs of the Corporation shall be vested in a Board of Management (hereinafter referred to as the "Board").
- 30 (2) The Board shall, for the purpose of administering the affairs of the Corporation, exercise, discharge and perform

Administration and management of the Corporation.

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Sri Lanka*

the powers, functions and duties conferred or assigned to or imposed on the Corporation by this Act.

6. The Board shall consist of-

Constitution
of the Board.

(a) the following *ex-officio* members, namely-

5 (i) the Secretary to the Ministry of the
Minister assigned the subject of
Finance or his representative being an
officer not below the rank of Additional
Secretary;

10 (ii) the Secretary to the Ministry of the
Minister assigned the subject of
Southern Development or his
representative being an officer not
below the rank of Additional Secretary;

15 (iii) the Chairman of the Sri Lanka Ports
Authority established under section 3
of the Sri Lanka Ports Authority Act,
No. 51 of 1979 or a Director nominated
20 by him among the Directors appointed
under section 5 (1) (a) of the above said
Act; and

(iv) the Chairman of the Board of
Investment of Sri Lanka established
under section 6 of the Board of
25 Investment Law, No. 4 of 1978;

(b) four other members appointed by the Minister
who shall possess academic or professional
qualifications and have experience in the
fields of economics, finance, management,
administration, or law (hereinafter referred to
30 as the “appointed members”).

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Sri Lanka

7. (1) The Minister shall appoint one of the appointed members to be the Chairperson of the Board. Chairperson of the Board.

5 (2) The Chairperson may resign from his office by letter addressed to the Minister and such resignation shall be effective from the date on which it is accepted by the Minister.

(3) The Minister may for reasons assigned remove the Chairperson from the office of Chairperson.

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

15 (5) Where the Chairperson is temporarily unable to perform the duties of his office due to ill health, other infirmity, absence from Sri Lanka or any other cause, the Minister may appoint any other appointed member to act as Chairperson in addition to his normal duties as an appointed member.

8. A person shall be disqualified from being appointed or continuing as a member of the Board, if he- Disqualification from being a members of the Board.

20 (a) is or becomes a member of Parliament or of any Provincial Council or of any local authority;

(b) is not or ceases to be a citizen of Sri Lanka;

(c) is under any law in force in Sri Lanka or any other country found or declared to be of unsound mind;

25 (d) is a person who having been declared insolvent or bankrupt under any law in force in Sri Lanka and is an undischarged insolvent or bankrupt;

30 (e) is serving or has served a sentence of imprisonment imposed by any court in Sri Lanka or in any other country;

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Sri Lanka*

(f) holds or enjoys any right or benefit under any contract made by or on behalf of the Corporation;
or

5 (g) has any financial or other interest as is likely to affect prejudicially the discharge by him of his functions as a member of the Board.

10 **9.** Every appointed member shall, unless he earlier vacates office by resignation, death or removal, hold office for a period of five years from the date of his appointment and such member other than a member who is removed shall be eligible for re-appointment. Term of office of members.

15 **10.** (1) Every appointed member may at any time resign from his office by a letter to that effect, addressed to the Minister, and such resignation shall be effective from the date on which it is accepted by the Minister in writing. Removal and resignation of members.

20 (2) Where any appointed member by reason of illness, infirmity or absence from Sri Lanka is temporarily unable to discharge the functions of his office, the Minister may, having regard to the provisions of paragraph (b) of section 6, appoint some other person to act in his place.

(3) The Minister may for the reasons assigned, remove an appointed member from office.

25 (4) Where an appointed member dies, resigns or is removed from office, the Minister may, having regard to the provisions of paragraph (b) of section 6, appoint another person in his place and the person so appointed shall hold office for the unexpired period of the term of office of the member whom he succeeds.

30 **11.** (1) The meetings of the Board shall be held at least once in every month and the quorum for a meeting of the Board shall be four members. Quorum and meetings of the Board.

(2) The Chairperson shall preside at every meeting of the Board. In the absence of the Chairperson from any meeting of the Board a member elected by the members present shall preside at such meeting.

5 (3) All questions for decision at any meeting of the Board shall be decided by the vote of the majority of members present at such meeting. In the case of an equality of votes the Chairperson shall, in addition to his vote have a casting vote.

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

12. The Board may act notwithstanding any vacancy among its members and any act or proceeding of the Board shall not be or deemed to be invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of a member thereof.

15 Acts or proceedings of the Board deemed not to be invalid by reason of any vacancy.

13. The members of the Board shall be paid remuneration out of the Fund of the Corporation in such manner and at such rates as may be determined by the Minister, with the concurrence of the Minister assigned the subject of Finance.

20 Remuneration of the members of the Board.

14. (1) The seal of the Corporation shall be in the custody of such person as the Board may decide from time to time.

25 Seal of the Corporation.

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

(3) The seal of the Corporation shall not be affixed to any instrument or document except with the sanction of the Board

30

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Sri Lanka*

and in the presence of the Chairperson and one other member of the Board who shall sign the instrument or document in token of their presence:

5 Provided however, where the Chairperson is unable to be present at the time when seal of the Corporation is affixed to any instrument or document, any other member of the Board authorized in writing by the Chairperson on that behalf shall be competent to sign such instrument or document in accordance with the preceding provision of
10 this subsection.

(4) The Corporation shall maintain a register of the instruments and documents to which the seal of the Corporation has been affixed.

PART III

15 RUHUNU DEVELOPMENT AREA

15. The National Policy on Ruhunu Economic Development within the Area shall strengthen the national economic base of Sri Lanka by among other things-

National Policy on Ruhunu Economic Development within the Area.

- 20 (a) developing an international air sea logistic hub in Hambantota;
- (b) promoting globally competitive economic activities within the Area;
- (c) increasing the backward linkage of the industries and services within Sri Lanka;
- 25 (d) establishing and designating economic development zones as a catalyst for economic growth;
- (e) creating employment; and
- (f) developing a skilled workforce.

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16. (1) The Ruhunu Economic Development Area shall consist of the Administrative Districts of Hambantota, Moneragala, Matara and Galle (in this Act referred to as the “Area”).

Ruhunu
Economic
Development
Area.

5 (2) The Minister may establish and designate by Notice published in the *Gazette* any land area within the Area as an Economic Development Zone and such Notice shall specify metes and bounds of the land area coming within each such zone. Such land area shall stand vested in the Corporation.

10 (3) Upon the publication of such Notice under subsection (2), the Corporation shall be responsible for the establishment and supervision of such designated economic development zone in accordance with the provisions of this Act.

15 (4) Any land within a designated economic development zone may be alienated or leased to any person or body corporate for the purpose of achieving the objects of the Corporation and in accordance with any economic development projects, plans, programmes or schemes made
20 under section 18 of this Act.

(5) Subject to any written law, the Corporation may undertake or approve the development, operation and maintenance and the financial assistance for appropriate infrastructure up to the perimeter of such designated
25 economic development zone.

(6) The Economic Development Zone may be designated as a single sector or multiple sector zone, and may include, but not limited to-

- (a) industries;
- 30 (b) parks;
- (c) information communication technology enterprises;
- (d) science and technology enterprises;

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- (e) high technology agricultural enterprises;
- (f) tourist and recreational enterprises;
- (g) business service enterprises; or
- (h) livestock enterprises.

5 (7) Subject to the provisions of the Constitution and any written law, the Minister may declare and designate any State land as a designated economic development zone. Any State land within the designated economic development zone shall not be alienated for private use except to the developers,
10 operators or enterprises or any other body of persons established within the designated Economic Development Zone.

15 **17.** Subject to the provisions of any other written law, no person shall carry on business as an economic development zone developer, operator or enterprise or provide or maintain activities or facilities within a designated economic development zone except under authority of a licence issued by the Corporation in accordance with regulations made under this Act. Licence to operate in Economic Development Zone.

20 **18.** (1) The Minister shall cause to formulate economic development projects, plans, programmes or schemes necessary to give effect to the National Policy on Ruhunu Economic Development. Formulation of economic development projects, plans, programmes or schemes.

25 (2) The Minister may forward the economic development projects, plans, programmes or schemes for the approval of the Cabinet of Ministers.

PART IV

CHIEF EXECUTIVE OFFICER AND THE STAFF OF THE CORPORATION.

30 **19.** (1) The Board shall, in consultation with the Minister and having regard to the qualifications and scheme of recruitment specified under subsection (2), appoint to the staff of the Corporation a Chief Executive Officer (in this Act referred to as the "CEO"). Appointment of the Chief Executive Officer of the Corporation.

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Sri Lanka

(2) The Board shall, with the concurrence of the Minister specify qualifications and the scheme of recruitment for the office of CEO.

(3) The CEO shall, subject to the general directions and
5 supervision of the Board:-

(a) be charged with the administration of the affairs of the Corporation including the administration and control of the staff;

(b) be responsible for the execution of all decisions of
10 the Board; and

(c) carry out all such functions as may be assigned to him by the Board.

(4) The CEO shall be entitled to be present and speak at any meeting of the Board, but shall not be entitled to vote at
15 such meeting.

(5) The CEO may with the approval of the Board delegate in writing to any officer of the Corporation, any of his powers or functions and the officer to whom any such power or function is delegated shall exercise or perform such power
20 or function subject to the directions of the CEO.

(6) The Board may remove the CEO from office, if he-

(a) becomes permanently incapable of performing his duties;

(b) had done any act which, in the opinion of the
25 Board, is of a fraudulent or illegal character or is prejudicial to the interests of the Board;
or

(c) has failed to comply with any directions issued by the Board.

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Sri Lanka*

20. (1) Subject to the provisions of this Act, the Corporation may appoint such employees as may be necessary for the efficient exercise and perform of its powers and functions.

Staff of the
Corporation.

5 (2) The Board shall have the power, subject to the provisions of the Act to-

(a) exercise disciplinary control over and dismiss the employees of the Corporation;

10 (b) determine the terms and conditions of service of the employees of the Corporation; and

(c) fix the rates at which such employees shall be remunerated with the concurrence of the Minister.

15 (3) All employees of the Corporation shall, within one month of employment, declare in writing to the Corporation of their personal direct or indirect interest to the affairs and transactions of the Corporation including those of their close relations or, concerns in which such employee has a substantial interest.

20 21. (1) At the request of the Board any officer in the public service may, with the consent of that officer and the Public Service Commission, be temporarily appointed to the staff of the Corporation for such period as may be determined by the Board or with like consent, be permanently appointed to such staff.

Appointment
of public
officers to
the staff of
the
Corporation.

25 (2) Where any officer in the public service is temporarily appointed to the staff of the Corporation, the provisions of subsection (2) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall, *mutatis mutandis* apply to and in relation to him.

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5 (3) Where any officer in the public service is permanently appointed to the staff of the Corporation, the provisions of subsection (3) of section 14 of the National Transport Commission Act, No. 37 of 1991, shall, *mutatis mutandis* apply to and in relation to him.

10 (4) Where the Board employs any person who has agreed to serve the Government for a specified period under any agreement, any period of service to the Corporation by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such agreement.

15 (5) At the request of the Board, any member of the Local Government Service or any other officer or servant of a local authority, may, with the consent of such member, officer or servant and the Local Government Service Commission, or the local authority, as the case may be, be temporarily appointed to the staff of the Corporation for such period as may be determined by the Board with like consent or be permanently appointed to such staff on such terms and conditions including those relating to pension or provident fund rights as may be agreed upon by the Board and the Local Government Service Commission or that local authority.

25 (6) Where any member of the Local Government Service or any officer or servant of any local authority is appointed temporarily under subsection (5) to the staff of the Corporation, he shall be subject to the same disciplinary control as any other member of such staff.

30 **22.** (1) At the request of the Board, any officer or servant of a public corporation may, with the consent of such officer or servant and the governing board of such corporation, be temporarily appointed to the staff of the Corporation for such period as may be determined by the Board with like consent or with like consent be permanently appointed to

Appointment
of officers
and servants
of the public
corporation.

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the staff of the Corporation on such terms and conditions including those relating to pension or provident fund rights, as may be agreed upon by the Board and the governing board of such Corporation.

5 (2) Where any person is appointed whether temporarily or permanently under subsection (1) to the staff of the Corporation, he shall be subject to the same disciplinary control as any other member of the staff.

10 (3) For the purpose of this section “governing board” in relation to a public corporation means the Board of Directors or other body in which the administration and management of that public corporation has been vested.

PART V

FUND

15 **23.** (1) The Corporation shall have its own Fund. There shall be credited to the Fund of the Corporation— Fund of the Corporation.

(a) all sums of money as may be voted from time to time by Parliament for the use of the Corporation;

20 (b) all sums of money as may be received by the Corporation by way of loans, donations, gifts or grants from any sources whatsoever, whether in or outside Sri Lanka; and

(c) all sums of money received by the Corporation for the services rendered by the Corporation.

25 (2) There shall be paid out of the Fund of the Corporation all such sums of money required to defray expenditures incurred by the Corporation in the exercise, performance and discharge of its powers, functions and duties under this Act.

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Sri Lanka

24. (1) Subject to the provisions of the Constitution and any written law, the Corporation may for the purpose of exercising, performing, discharging any of its powers, functions and duties allocate funds to any department, provincial council, provincial ministry and department, local authority or public corporation with the prior approval of the Minister.

Allocation of funds.

(2) It shall be the duty of such department, provincial council, provincial ministry and department, local authority or public corporation to exercise, perform or discharge such powers, functions and duties and submit account for the expenditure incurred in that regard.

(3) The Corporation shall be entitled to require any department, provincial council, provincial ministry and department, local authority or public corporation to which funds have been allocated under subsection (1), to furnish such information as may be required by the Corporation in respect of the expenditure of such funds and it shall be the duty of such department, provincial council, provincial ministry and department, local authority or public corporation to comply with such requirement.

25. (1) The financial year of the Corporation shall be the calendar year.

Financial year and the audit of accounts.

(2) The provisions of Article 154 of the Constitution relating to the auditing of accounts shall apply in relation to the audit of accounts of the Corporation.

(3) The Corporation shall have with the approval of the Minister the power to make rules relating to the withdrawal of any moneys from the Fund and no sum shall be withdrawn from the Fund except in accordance with such rules.

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Sri Lanka*

PART VI

GENERAL

26. (1) Where any land or any interest in any land within the Area is required by the Corporation for any of its purposes, and the Minister by Order published in the *Gazette* approves the proposed acquisition, the land or interest in any land shall be deemed to be required for a public purpose and may accordingly be acquired under the Land Acquisition Act and be transferred to the Corporation. Acquisition of land or interest thereon.
- 5
- 10 (2) The land or interest thereon required for the purpose of establishing an economic development zone under this Act shall be deemed to be a public purpose.
- (3) In any case where any land or any interest in any land within the Area is to be acquired under the Land Acquisition Act for any purpose of the Corporation and public notice of the intention to acquire such land or interest thereon is published as required by that Act at any time within the period of three years from the date of commencement of this Act, the following provisions shall apply for the purpose of determining the amount of compensation to be paid in respect of that land or interest thereon notwithstanding anything to the contrary in that Act-
- 15
- 20
- 25 (a) the market value of the land shall be deemed to be the market value the land would have had on the date of such Order, if it then was in the same condition as it is at the time of acquisition, increased by a reasonable amount on account of *bona fide* improvements, if any, effected to such land after such date;
- 30 (b) in ascertaining the market value of the land at the date of such Order, no account shall be taken of any benefit or increase in value which may have accrued,

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Sri Lanka

or any expectation of benefit or increase in value likely to accrue directly or indirectly, from any work of development or other operation of the Corporation in pursuance of this Act.

5 **27.** (1) The lands situated in the Area and vested in the Board of Investment of Sri Lanka established under the Board of Investment of Sri Lanka Law, No. 4 of 1978 on the date of commencement of this Act shall stand vested in the Corporation from the date of commencement of this Act. Lands to be vested in the Corporation.

10 (2) The Board of Investment of Sri Lanka shall take necessary measures to transfer such land to the Corporation.

15 **28.** Subject to the provisions of Constitution and written law, all goods of any description imported or purchased out of bond by the Corporation shall be exempted from customs duty, if the Minister in consultation with the Minister assigned the subject of Finance approves of such exemption. Exemption from custom duty & etc.

20 **29.** (1) The Government may guarantee on such terms and conditions as it may determine, the loans raised by the Corporation from any local, international or foreign organization approved by the Minister. The loans authorized to be guaranteed under this subsection may be denominated in foreign currency. Loans raised by the Corporation.

25 (2) All such sums payable by the Government under any guarantee given under subsection (1), shall be charged on the Consolidated Fund.

(3) All sums payable by the Corporation under subsection (1) in respect of such a loan may, notwithstanding anything to the contrary in any written law, be paid-

30 (a) without deduction for, and free from, any taxes, duties or fees imposed by or under any written law; and

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(b) free from all restrictions imposed by or under any written law:

5 Provided, however, that the preceding provisions of this subsection shall not apply to any taxes, duties, fees or restrictions upon payments under any bond or promissory note to a holder thereof other than any international or foreign organization, when such bond or promissory note is beneficially owned by a person resident in Sri Lanka.

10 (4) For the purposes of subsection (3), the question whether a person is or is not resident in Sri Lanka shall be determined in accordance with the provisions of the Inland Revenue Act, No. 24 of 2017.

15 (5) Every guarantee agreement between the Government and any local, international or foreign organization pursuant to this Act and every guarantee given by the Government pursuant to any such guarantee agreement shall, notwithstanding anything to the contrary in any written law, be valid and enforceable in accordance with their respective terms and conditions.

20 (6) In the case of any loan made to the Corporation by any local, international or foreign organization approved by the Minister and guaranteed by the Government, the Government shall bear any loss and be entitled to any profit, resulting from any revaluation of the rupee in relation to the
25 currency or currencies in which that loan is expressed and the amount of every such loss shall be charged to the Consolidated Fund.

30 (7) The Minister or any person authorized in that behalf by the Minister, by instrument under his hand is hereby empowered on behalf of the Government to sign any guarantee agreement between the Government and any local, international or foreign organization.

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Sri Lanka

5 **30.** The Minister may with the concurrence of the Minister assigned the subject of Finance prescribe the financial incentives and other exemptions available to any category of investor in accordance with the written law and the manner of application and granting of incentives.

Financial incentives and other exemptions to be prescribed.

10 **31.** (1) The Corporation may subject to such terms and conditions as may be specified in writing, delegate to the Chairperson or member of the Board or CEO any of its powers, functions or duties under this Act, and the Chairperson or such member or CEO shall exercise, perform or discharge such power, function or duty subject to any special or general directions issued by the Board.

Delegation of powers, functions and duties of the Corporation.

15 (2) Notwithstanding any delegation made under subsection (1), the Corporation may exercise, perform or discharge any such power, function or duty so delegated.

20 **32.** The Minister may, from time to time issue such general or special directions to the Board relating to the exercise, performance and discharge of the powers, functions and duties under this Act and it shall be the duty of the Board to comply with such directions.

Directions of the Minister.

25 **33.** (1) Notwithstanding anything to the contrary in any other written law, where the Corporation considers it necessary for the purposes of this Act, the Corporation may, with the approval of the Minister, in relation to designated economic development zones give special or general directions to any department or public corporation requiring any such department or public corporation to perform or discharge such functions or duties relating to an economic development project, plan, programme or scheme as the Corporation may determine.

Directions of the Corporation.

(2) It shall be the duty of the department or public corporation to comply with such directions.

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(3) The department or public corporation to which any direction is given under subsection (1) shall be subject to the supervision and control of the Corporation in respect of all matters connected with such direction.

5 **34.** The Corporation may make arrangements or enter into contracts with ministry, department, provincial council, provincial ministry and department and local authority and other persons or body of persons whether private or public including joint ventures, for the purpose of exercising,
10 performing and discharging its powers, functions and duties.

Arrangements
and
contracts.

15 **35.** The Corporation may, with the approval of the Minister and in writing under its seal empower any person, either generally or in respect of any specific matter, to act for and on behalf of the Corporation in any place outside Sri Lanka in accordance with the provisions of this Act.

Acting on
behalf of the
Corporation.

36. All members of the Board, officers, servants and agents of the Corporation shall be deemed to be public servants within the meaning and for the purpose of the Penal Code (Chapter 19).

All members
of the Board
etc. deemed
to be public
servants.

20 **37.** The Corporation shall be deemed to be a Scheduled Institution within the meaning of the Bribery Act (Chapter 26) and the provisions of that Act shall be construed accordingly.

Corporation
deemed to be
a Scheduled
Institution.

25 **38.** (1) All expenses incurred by the Corporation in any suit or prosecution brought by or against it before any court, shall be paid out of the Fund and any costs paid to or recovered by the Corporation in any such suit or prosecution, shall be credited to the Fund .

Expenses to
be paid out
of the Fund.

30 (2) Any expenses incurred by a member of the Board, CEO or any employee of the Corporation, in any suit or prosecution brought by or against such person before any court in respect of any act which is done or purported to be done by such person under this Act shall, if the court holds

that such act was done in good faith, be paid out of the Fund, unless such expenses are recovered by him in such suit or prosecution.

5 **39.** (1) The Minister may, in consultation with the Corporation make regulations in respect of matters to be prescribed or for the purpose of carrying out or giving effect to the principles and provisions of this Act. Regulations.

10 (2) In particular and without prejudice to the generality of the powers conferred on the Minister by subsection (1), the Minister may make regulations under this section in respect of all or any of the following matters:-

- (a) the manner in which the licensing of economic development zone developers to be made in respect of each designated economic development zone;
- 15 (b) qualifications for economic development zone developers and operators;
- (c) terms and conditions of a licence;
- (d) facilities within a designated economic development zone;
- 20 (e) rights and obligations of a designated economic development zone developer and operator;
- (f) rights and obligations of enterprises licensed to operate in a designated economic development zone;
- 25 (g) the categories of industrial and commercial organizations to be established in a designated economic development zone;

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5 (h) any matters relating to the identification, mapping and where necessary procuring available areas of land which have been established as Economic Development Zones to economic development zone developers; and

(i) generally for the purpose of development, management and control of designated economic development zones.

10 (3) Every regulation made by the Minister under subsection (1), shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

15 (4) Every regulation made by the Minister under subsection (1) shall, within a period of three months from the date of its publication in the *Gazette* be brought before Parliament for approval. Any 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.

20 (5) Notification of the date on which any regulation shall be deemed to be so rescinded, shall be published in the *Gazette*.

25 **40.** (1) The Corporation may make rules in respect of all matters for which rules are required or authorized to be made. Rules.

(2) Every rule made by the Corporation shall be approved by the Minister and be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified therein.

30 **41.** In this Act, unless the context otherwise requires- Interpretation.

“development project” means, any activity whether public or private which generates production, income, employment or improves economic, social or environmental conditions of the Area;

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“environmental impact assessment report” shall have the same meaning as is assigned to it by the National Environmental Act, No. 47 of 1980;

5 “local Authority” means, any Municipal Council, Urban Council, Pradeshiya Sabha and includes any authority created and established by or under any law to exercise, perform and discharge powers, duties and functions corresponding to or similar to the powers, duties and functions exercised, performed and discharged by any such Council or Sabha.

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

Sinhala text to prevail in case of inconsistency.

