



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

TRUST RECEIPTS (AMENDMENT)

A

BILL

to amend the Trust Receipts Ordinance (Chapter 86)

*Presented by the Minister of Justice and Prison Reforms
on 18th of September, 2019*

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Ordered by Parliament to be printed

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STATEMENT OF LEGAL EFFECT

Clause 2: This clause amends section 4 of the Trust Receipts Ordinance (Chapter 86), and the legal effect of the section as amended is to provide for the legal consequences of trust receipts registered under the Secured Transactions Act, No. of 2019, but not under the Registration of Documents Ordinance.

Clause 3: This clause makes provisions in regard to the period of enforceability of trust receipts already registered under the Registration of Documents Ordinance and the requirement of registering those trust receipts under the Secured Transactions Act, No. of 2019 upon coming into operation of the said Act in order for them to be further enforceable and for their priority to continue to prevail.

Trust Receipts (Amendment)

L. D.- O. 64/2017

AN ACT TO AMEND THE TRUST RECEIPTS ORDINANCE (CHAPTER 86)

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

1. This Act may be cited as the Trust Receipts (Amendment) Act, No. of 2019 and shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*. Short title and date of operation.
2. Section 4 of the Trust Receipts Ordinance (Chapter 86) is hereby amended in subsection (1) of that section, by the substitution for the words “registered under the Registration of Documents Ordinance as a bill of sale”, of the words and figures “registered under the Secured Transactions Act, No. of 2019 as a bill of sale”. Amendment of section 4 of Chapter 86.
3. (1) Where on the date of coming into operation of this Act, a trust receipt which has been registered under the Registration of Documents Ordinance as a bill of sale is in force, such trust receipt shall, for a period of two years from the date of coming into operation of this Act, continue to be enforceable, but shall be required to be registered under the relevant provisions of the Secured Transactions Act, No. of 2019 as a bill of sale, prior to the expiration of such two years period. Provisions relating to trust receipts registered under the Registration of Documents Ordinance.
- (2) A bill of sale referred to in subsection (1) shall, on being registered under the Secured Transactions Act, No. of 2019, be deemed to have been perfected from the date on which such bill of sale initially became legally enforceable, and any priority which such bill of sale became entitled to at the time it initially became legally enforceable, shall continue to prevail.

(3) A bill of sale referred to in subsection (1) which is not registered under the Secured Transactions Act, No. of 2019 prior to the expiration of two years from the date of coming into operation of this Act, shall become legally unenforceable
5 after the expiration of such period.

4. 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.

