



**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 Finance, Economic Stabilization and
National Policies on 09th of January, 2024*

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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 2024, but not under the Registration of Documents Ordinance (Chapter 117).

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 2024 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 AMEND THE TRUST RECEIPTS ORDINANCE (CHAPTER 86)

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

1. (1) This Act may be cited as the Trust Receipts (Amendment) Act, No. of 2024. Short title and date of operation

5 (2) The provisions of this Act, other than the provisions of this section, shall come into operation on such date as the Minister may appoint by Order published in the *Gazette* (in this Act referred to as the “appointed date”).

10 (3) The provisions of this section shall come into operation on the date on which the Bill becomes an Act of Parliament.

15 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 2024 as a bill of sale”. Amendment of section 4 of Chapter 86

20 3. (1) Where on the appointed date a trust receipt which has been registered under the Registration of Documents Ordinance (Chapter 117) as a bill of sale is in force, such trust receipt shall, for a period of two years from the appointed date, continue to be enforceable, but shall be required to be registered under the relevant provisions of the Secured Transactions Act, No. of 2024 as a bill of sale, prior to the expiration of such period of two years. Provisions relating to trust receipts registered under the Registration of Documents Ordinance

30 (2) A bill of sale referred to in subsection (1) shall, on being registered under the Secured Transactions Act, No. of 2024, 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.

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Trust Receipts (Amendment)

(3) A bill of sale referred to in subsection (1) which is not registered under the Secured Transactions Act, No. of 2024 prior to the expiration of two years from the appointed date, shall become legally unenforceable after the expiration
5 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

