

CHAPTER 316

NATIONAL LOTTERIES BOARD

Act No. 11 of 1963 (Part I).

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A NATIONAL LOTTERIES BOARD AND THE CONDUCT OF NATIONAL LOTTERIES, FOR THE REPEAL OF THE HOSPITALS LOTTERIES ACT, AND FOR MATTERS CONNECTED THEREWITH AND INCIDENTAL THERETO.

[10th January, 1964.]

Short title.

1. This Act may be cited as the National Lotteries Board Act*.

any other cause, the Minister may appoint some other person to act in his place as the Chairman, or as a member, of the Board, as the case may be.

National Lotteries Board to be established.

2. (1) A Board to be called the National Lotteries Board, hereinafter in this Act referred to as "the Board", shall be established for the purposes of this Act.

(7) Every member of the Board shall, unless he earlier vacates office by resignation or removal, hold office for a period of five years. Any member of the Board who vacates office by effluxion of time shall be eligible for reappointment.

(2) The Board shall be a body corporate with perpetual succession and a common seal and may by its name sue and be sued.

Constitution of the Board,

3. (1) The Board shall consist of not more than five members appointed by the Minister.

(8) No. act or proceeding of the Board shall be invalid by reason only of the existence of any vacancy among its members or any defect in the appointment of any of its members.

(2) The Minister shall appoint one of the members of the Board to be the Chairman of the Board.

4. The members of the Board may be remunerated in such manner and at such rates as may be determined by the Minister. The remuneration, if any, shall be paid out of the Fund of the Board.

Remuneration of members of the Board.

(3) The Minister may, if he thinks it expedient to do so, remove, by Order published in the Gazette, any member of the Board from office without reason stated.

5. (1) The staff necessary for the discharge of the Board's duties under this Act shall be determined by the Board, and every appointment to such staff shall be made by the Board.

Appointment of officers and servants.

(4) A member of the Board in respect of whom an Order under subsection (3) of this section is made by the Minister shall vacate his office on the date of the publication of such Order in the Gazette.

(2) The officers and servants of the Board shall be remunerated in such manner and at such rates, and shall be subject to such conditions of service as may be determined by rules made under this Act. Such remuneration shall be paid out of the Fund of the Board.

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

(3) The Board may, in accordance with rules made under this Act, establish and

(6) If the Chairman or any other member of the Board is temporarily unable to discharge the duties of his office on account of ill health or absence from Sri Lanka or

* Sections 3 to 26 of the Finance Act, No. 11 of 1963, are renumbered sections 2 to 25 and reproduced as the 'National Lotteries Board Act' in this Edition.

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maintain a provident fund for the benefit of its officers and servants, make contributions out of its Fund to such provident fund, regulate the management and investment thereof, and fix the contributions to be made thereto by, and the payments to be made therefrom to, or in respect of, such officers and servants.

Property, contracts and expenditure of the Board.

6. (1) The Board may acquire, hold and dispose of any movable and immovable property, and enter into contracts and otherwise do all such acts as may be necessary for the purpose of carrying out the provisions of this Act.

(2) All sums payable by the Board under any contract entered into by the Board or in respect of any movable or immovable property acquired or held by the Board shall be paid out of the Fund of the Board. All sums received by the Board under any such contract or in respect of any such property shall be paid to the Fund of the Board.

(3) All sums payable by the Board for the purpose of defraying any expenditure incurred in the management of the affairs or the transaction of the business of the Board, or the exercise of the powers or the performance of the duties of the Board under this Act, shall be paid out of the Fund of the Board.

Board to be subject to directions of Minister.

7. In the exercise of its powers and the discharge of its duties under this Act, the Board shall be subject to the general or special directions of the Minister.

Fund of the Board.

8. (1) The Board shall have its own Fund.

(2) There shall be paid to the Fund of the Board all sums required by this Act to be so paid.

(3) There shall be paid out of the Fund of the Board all sums required by this Act to be so paid.

(4) All cheques for the payment of moneys out of the Fund of the Board shall be signed by a member of the Board and by any such officer employed by the Board as may be authorized in that behalf by the Board.

9. (1) The Minister may grant out of the Consolidated Fund to the Board, free of interest, a loan not exceeding rupees one million for the purpose of enabling the Board to meet the initial expenses incurred by the Board in the discharge of its duties under this Act.

Power of Minister to grant a loan to the Board.

(2) Any sum granted to the Board by way of loan under subsection (1) of this section—

(a) shall be paid to the Fund of the Board; and

(b) shall be repaid by the Board to the Consolidated Fund out of the Fund of the Board in such manner as the Minister may from time to time direct.

10. The accounts of the Fund of the Board shall—

Accounts of the Fund of the Board.

(a) be kept in the prescribed manner;

(b) be audited annually by, or under the direction of, the Auditor-General; and

(c) in respect of each financial year, be laid, together with the report of the Auditor-General thereon, before Parliament within eight months of the conclusion of each financial year.

Notwithstanding anything in this section, the accounts of the Fund may be ratified by a resolution of Parliament.

11. Rules may be made under this Act in respect of all or any of the following matters relating to the Board :—

Power to make rules-

(a) the custody and use of its seal;

(b) the appointment, promotion, dismissal and disciplinary control of its officers and servants;

(c) the meetings of the Board and the quorum for, and the procedure to be followed at, such meetings ; and

(d) the establishment and maintenance of a provident fund for its officers and servants, and the payment of contributions to that fund by the Board and such officers and servants.

Protection for action taken under this Act or on the direction of the Board.

12. (1) No suit or prosecution shall lie—

(a) against the Board for any act which in good faith is done or purported to be done by the Board under this Act; or

(b) against any member, officer, servant or agent of the Board for any act which in good faith is done or purported to be done by him under this Act or on the direction of the Board.

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

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

The Board to conduct national lotteries.

13. (1) The Board shall conduct lotteries for the purposes of this Act. Every such lottery is in this Act referred to as a " national lottery ".

(2) There shall be such number of national lotteries in each year as may be prescribed. Every national lottery shall be conducted by the Board in such manner as may be prescribed, subject however to the provisions of this Act.

National lotteries not to be in connexion with horse-races.

14. No national lottery shall be conducted in connexion with any horse-race or any other form of racing.

15. (1) The number of the prizes to be awarded in each national lottery and the value of each of such prizes shall be as prescribed.

Prizes in national lotteries.

(2) Every prize awarded in a national lottery shall consist of a sum of money and every such prize shall be exempt from the operation of section 3 (1) (i) of the Inland Revenue Act, No. 4 of 1963, and be exempt from income tax under section 8 (a) item (xxv) of the Inland Revenue Act (No. 28 of 1979), and shall not be included in the assessment of profits as income for the payment of tax by such prize winner under the provisions of those Acts.

(3) The prize winners in every national lottery shall be determined by the drawing of lots in public in the prescribed manner.

(4) After the expiration of a period of six months reckoned from the date of the drawing of lots for the prizes in any national lottery, any prize in such lottery which has not been granted to the person entitled thereto by reason of the fact that such person is not to be found shall be forfeited and paid to the Fund of the Board ;

Provided, however, that where any action or proceeding arising out of any claim made in respect of such prize is pending before any court at the expiration of the period aforesaid, such forfeiture shall not be made, and if in the final determination of that action or proceeding any person is declared to be entitled to such prize, the Board shall grant such prize to that person, and if no person is so declared, such prize shall be forfeited and paid to the Fund of the Board.

16. (1) The proceeds of every national lottery shall be paid in the first instance to the Fund of the Board.

Proceeds of national lotteries

(2) The Board shall pay to the Consolidated Fund through the Deputy Secretary to the Treasury the balance of the proceeds of every national lottery after the deduction from such proceeds of an amount approved by the Secretary to the Ministry as the amount necessary for the purpose of—

(a) defraying, or reimbursing the Fund of the Board for the payment of, the

expenses of conducting such lottery including the value of the prizes awarded in such lottery;

- (b) paying the whole or a part of the remuneration, if any, of the members of the Board and the remuneration of the staff of the Board;
- (c) paying the whole or a pan of any contributions payable by the Board to any such provident fund as is referred to in subsection (3) of section 5;
- (d) repaying the whole or a part of any loan granted to the Board under section 9; and
- (e) meeting other liabilities of the Board.

Exemption from tax on income or profits from national lotteries.

17. The Board shall be exempt from the payment of any tax on the income or profits from any national lottery.

Lotteries Ordinance not apply to national lotteries.

18. The Lotteries Ordinance shall not apply to or in relation to any national

Rules.

19. (1) The Board may make rules in respect of all matters stated or authorized by this Act to be prescribed, or in respect of which rules are authorized to be so made by this Act.

(2) Without prejudice to the provisions of subsection (1) of this section, rules made under this section may make provision in respect of all or any of the following matters:—

- (a) the price at which tickets in every national lottery are to be sold;
- (b) the particulars to be stated on every such ticket;
- (c) the manner in which tickets in every such lottery are to be sold or offered for sale;
- (d) the employment of agents for the sale of such tickets and the remuneration payable to such agents;

(e) the publication of the number of each winning ticket in every such lottery and of the name and address of the person entitled to such ticket; and

(f) all other matters relating to national lotteries.

(3) No rule made by the Board under this section shall have effect until it has been approved by the Minister. Every rule so made and approved, other than any rule relating to any of the matters referred to in section 11 shall be published in the Gazette as soon as it may be convenient.

20. (1) Every person who—

Offences.

(a) sells or offers for sale any ticket for the purposes of any national lottery at a price exceeding the price specified for such ticket by rule made under this Act; or

(b) forges any ticket for the purposes of any such lottery ; or

(c) sells or offers for sale any ticket for the purposes of any such lottery knowing it to be forged,

shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding five hundred rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.

(2) All sums paid or recovered as fines imposed for offences under this section shall be paid to the Fund of the Board,

21. All offences under this Act shall be cognizable offences within the meaning and for the purposes of the Code of Criminal Procedure Act.

Offences to be cognizable offences.

22. In this Act, unless the context otherwise requires,—

interpretation.

"appointed date" means the 10th day of January, 1964;

"financial year" means the year commencing on the first day of January of each year;

" General Treasury " means the Department of Government known as the General Treasury;

" Hospitals Lotteries Board " means the Hospitals Lotteries Board established under the repealed Hospitals Lotteries Act;

" Minister " means the Minister to whom the subject or function of Finance is assigned by the President;

" prescribed " means prescribed by rule made under this Act.

Repeal of Hospitals Lotteries Act.

23. The Hospitals Lotteries Act is hereby repealed.

Transitory provisions.

24. On the appointed date—

(a) all the movable and immovable properties of the Hospitals Lotteries Board on the day immediately prior to the appointed date (including moneys in the Fund of that Board) shall be deemed to vest in, and to be the properties of, the National Lotteries Board;

(b) all the contracts of the Hospitals Lotteries Board subsisting on that day shall be deemed to be the contracts of the National Lotteries Board, and all subsisting rights and obligations of the Hospitals

Lotteries Board under such contracts shall be deemed to be the rights and obligations of the National Lotteries Board;

(c) the liabilities of the Hospitals Lotteries Board on that day shall be deemed to be the liabilities of the National Lotteries Board;

(d) the Hospitals Fund maintained at the General Treasury under the repealed Hospitals Lotteries Act shall cease to be so maintained, and all sums of money lying to the credit of such Hospitals Fund shall be transferred to the Consolidated Fund by the Deputy Secretary to the Treasury; and

(e) the provident fund established and maintained by the Hospitals Lotteries Board for its officers and servants under the repealed Hospitals Lotteries Act shall be deemed to be a provident fund established and maintained by the National Lotteries Board for its officers and servants under this Act.

25. On the appointed date, all officers and servants of the Hospitals Lotteries Board on the day immediately prior to that date shall be deemed to be transferred to the service, and to be officers and servants, of the National Lotteries Board.

Transferor officers and servants.