

CHAPTER 58

PRIZE COMPETITIONS

-Acts
Nos. 37 of 1957,
51 of 1968.

AN ACT TO CONTROL THE PROMOTION OR CONDUCT OF PRIZE COMPETITIONS IN SRI LANKA AND TO PROHIBIT PERSONS IN SRI LANKA FROM PARTICIPATING IN PRIZE COMPETITIONS PROMOTED OR CONDUCTED OUTSIDE SRI LANKA.

[4th October, 1957.]

Short title.

1. This Act may be cited as the Prize Competitions Act.

4. (1) Every school magazine competition shall be subject to the following conditions :—

School magazine competition to be subject to certain conditions.

Tax on prize competitions.

2. (1) Parliament may, by resolution, impose a tax on the proceeds of every prize competition other than a school magazine competition. Such tax may be at different rates in respect of prize competitions of different descriptions.

(a) entries in the competition shall be made only by means of entry forms printed or published in the school magazine in or through which the competition is promoted or conducted;

[\$2.51 of 1968.]

(2) A tax at the rate of twenty per centum of the total value of the prizes offered in kind, cash or services shall be paid in respect of every commercial prize competition promoted or conducted by a trading company.

(b) the following amounts may be deducted from the proceeds of the competition;—

(i) as expenses of the competition an amount equal to the actual cost of printing and publishing such magazine;

(3) Any sum payable under this Act as tax in respect of any prize competition shall be paid by the promoter of such competition to a kachcheri within a period of thirty days reckoned from the date of the closure of entries in such competition.

(ii) an amount equal to the total value of such money prizes in the competition as are provided out of the proceeds of the competition; and

(4) If the promoter of any prize competition makes default in the payment of any sum which he is liable to pay as tax under this Act in respect of such competition, such sum may be recovered in like manner as though it were a debt due from him to the State,

(iii) an amount equal to the total actual cost or value of such other prizes in the competition as have not been donated by any person for the purposes of the competition.

Licence required for prize competition other than a school magazine competition.

3. Except under the authority of a licence, no person shall promote or conduct any prize competition in Sri Lanka other than a school magazine competition.

(2) The total value of the prizes awarded in each or all of the school magazine competitions promoted or conducted in any school in each of the three school terms of any year shall not exceed two hundred and fifty rupees.

(3) The proceeds of every school magazine competition, less the deductions

permitted by paragraph (b) of subsection (1), shall be applied for the benefit of the school.

Minister to issue licences

5. (1) Licences to promote or conduct prize competitions in Sri Lanka may, in accordance with the provisions of this Act, be issued by the Minister in his discretion after consultation with the Inspector-General of Police.

(2) The decision of the Minister to issue or to refuse to issue a licence to any applicant shall be final and conclusive and shall not be called in question in any court.

Power of Secretary applicants to furnish information documents,

6. The Secretary may direct the applicant for a licence to furnish all such information and documents as the Secretary may deem necessary for the purpose of enabling the Minister to dispose of the application, and if the applicant fails to comply with such direction, the Minister may refuse to issue a licence to the applicant,

Fees for licences,

7. (1) No licence shall be issued to any person except upon payment of such one of the prescribed fees as may be appropriate to the case. The fee for a licence shall be paid to a kachcheri and the receipt issued in respect of the payment shall be transmitted to the Secretary by the applicant for the licence.

(2) In subsection (1) the expression "prescribed" means prescribed by the Minister by Notification published in the Gazette.

Description of licences,

8. (1) A licence shall be of one of the following descriptions ;—

- (a) a society prize competition licence;
- (b) a newspaper prize competition licence; or
- (c) a commercial prize competition licence.

(2) A society prize competition licence—

- (a) may be issued only to a society, and

(b) shall authorize the society to which the licence is issued to promote or conduct in the manner specified in the licence the prize competition or each of the prize competitions so specified.

(3) A newspaper prize competition licence—

(a) may be issued only to a newspaper publisher, and

(b) shall authorize the newspaper publisher to whom the licence is issued to promote or conduct in or through the newspaper or newspapers specified in the licence the prize competition or each of the prize competitions so specified.

(4) A commercial prize competition licence—

(a) may be issued only to a trading company, and

(b) shall authorize the trading company to which it is issued to promote or conduct, in connexion with any commercial purpose specified in the licence, the prize competition or each of the prize competitions so specified.

(5) Every licence shall specify the entrance fee for each entry in the prize competition or each of the prize competitions authorized by the licence to be promoted or conducted.

9. Every application for a licence—

Applications for licences.

(1) shall be made in writing to the Minister;

(2) shall state the name and address of the society, newspaper publisher, or trading company making the application, specify the governing body thereof, and state the name and address of each member of such body;

(3) shall specify the number of prize competitions that are proposed to

be promoted or conducted and the period of duration of each such competition;

(4) shall, if the application is for a newspaper prize competition licence, state the newspaper or newspapers in or through which the proposed competition or each of the proposed competitions is to be promoted or conducted;

(5) shall, if the application is for a commercial prize competition licence, state the commercial purpose in connexion with which the proposed competition of each of the proposed competitions is to be promoted or conducted ;

(6) shall give full particulars relating to the proposed competition or each of the proposed competitions and in particular—

(a) shall state the entrance fee for each entry in the proposed competition or each of the proposed competitions;

(b) shall, if the applicant is a society, state whether or not entries in the proposed competition or each of the proposed competitions are to be restricted to members of the society;

(c) shall, if the applicant is a society or trading company, state whether entries in the proposed competition or each of the proposed competitions are to be made by means of entry forms printed by or under the authority of, and issued by, such society or company, or prepared by the entrants, and if such forms are to be printed by or under the authority of, and issued by, such society or company, the name and address of the printer by whom such forms are to be printed;

(d) shall state the number of prizes which are to be offered in the proposed competition or in each

of the proposed competitions, and as respects each such prize—

(i) shall state whether the prize will be donated by any person for the purposes of the competition in which the prize is to be offered and, if the prize will not be so donated, whether or not the cost of providing or purchasing the prize is to be a charge on the proceeds of the competition;

(ii) shall, if the prize is a money prize, state its value by specifying either the sum of money constituting the prize or such proportion of the proceeds of the competition as will represent such value ; or

(iii) shall, if the prize is not a money prize, state the nature and value of the prize ;

(e) shall state whether or not the expenses (other than the cost of providing or purchasing prizes) incurred in the promotion or conduct of the proposed competition or each of the proposed competitions are to be a charge on the proceeds thereof;

(f) shall state the purpose or purposes to which the proceeds of the proposed competition or each of the proposed competitions are to be applied after deducting such costs and expenses as are stated in the application to be a charge on those proceeds; and

(g) shall state the name and address of the accountant who has consented to audit and certify the statement of accounts relating to the proposed competition or each of the proposed competitions.

10. Every licence shall be subject to the following conditions :—

Conditions to which all licences are subject.

- (1) no notice or advertisement of the competition promoted or conducted under the authority of the licence shall in any material particular be inconsistent with or repugnant to any provision of the licence or any statement in the entry forms issued in respect of the competition;
 - (2) entries in the competition shall be made only by means of entry forms;
 - (3) entries in the competition from persons outside Sri Lanka shall not be accepted;
 - (4) the entrance fee for each entry in the competition shall not exceed the entrance fee specified in the licence;
 - (5) no entry form in the competition shall be sold or offered for sale outside Sri Lanka;
 - (6) entries in the competition shall be closed on such date as may be specified in the licence;
 - (7) the competition shall be concluded on such date as may be specified in the licence or on any other date to which it may be postponed by the Secretary for good reasons upon application made in that behalf by the licensee;
 - (8) a notice stating the number of each winning entry form in the competition and the name and address of the winner thereof shall, forthwith after the result of the competition is known, be published by the licensee in a Sinhala daily newspaper, a Tamil daily newspaper and an English daily newspaper circulating in Sri Lanka, and copies of such notice shall be sent by the licensee to the Secretary and the Inspector-General of Police:

Provided that—
 - (a) where the licensee is a society and entries in the prize competition are restricted by the licence to members of that society, the notice aforesaid shall, instead of being published as provided in the preceding provisions of this paragraph, be exhibited by the licensee on the premises of that society and copies of such notice shall be sent by the licensee to the Secretary and to the Inspector-General of Police; and
 - (b) where the licensee is a newspaper publisher, the notice aforesaid shall, instead of being published as provided in the preceding provisions of this paragraph, be published in the newspaper in or through which the competition was promoted or conducted and copies of such notice shall be sent by the licensee to the Secretary and to the Inspector-General of Police;
- (9) the following amounts may be deducted from the proceeds of the competition:—
 - (a) as expenses of the competition an amount not exceeding such sum or such proportion of the proceeds of the competition as may be specified in the licence;
 - (b) an amount equal to the total value of such money prizes in the competition as are provided out of the proceeds of the competition;
 - (c) an amount equal to the total actual cost or value of such other prizes in the competition as have not been donated by any person for the purposes of the competition; and
 - (d) any tax payable under this Act;
 - (10) proper books of account relating to the competition shall be kept by the licensee;
 - (11) such books and all other books and documents relating to the competition shall be made available

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by the licensee at all reasonable times for the inspection of any officer authorized in that behalf by the Secretary or the Inspector-General of Police throughout the period of the promotion or conduct of the competition and for a further period of twelve months reckoned from the date of the conclusion of the competition ;

- (12) a statement of accounts relating to the competition duly audited and certified by an accountant shall, within a period of six months reckoned from the date of the conclusion of the competition, be furnished by the licensee to the Secretary and to the Inspector-General of Police ; and
- (13) such other conditions as the Minister may deem fit to insert in the licence, including in any case where the licensee is a society, a condition restricting entries in the competition or each of the competitions specified in the licence to members of the society.

Special conditions to which society and commercial prize competition licences are subject.

11. A society prize competition licence or a commercial prize competition licence shall be subject to the following conditions in addition to the conditions specified in section 10 :—

- (1) no entry form in any prize competition promoted or conducted under the authority of the licence shall be printed or published in any newspaper ;
- (2) every entry form in the competition shall be printed by a printer whose name and address are specified in the licence, unless the licence authorizes entries in the competition to be made by means of entry forms prepared by the entrants;
- (3) the entry forms in the competition shall, unless such forms are prepared by the entrants in the competition, be serially numbered ;
- (4) every entry form in the competition shall, unless it is prepared by an entrant in the competition, bear on its face—

- (a) the name and address of the licensee,
 - (b) the name and address of the printer by whom it was printed,
 - (c) the entrance fee for each entry in the competition, and
 - (d) a serial number;
- (5) where entries in the competitions are made by means of entry forms prepared by the entrants—
- (a) the entrance fee shall be paid only by cheque, money order or postal order drawn in the name of the licensee and no entry shall be allowed unless such fee is so paid; and
 - (b) a register shall be kept by the licensee containing—
 - (i) the name and address of every entrant, and
 - (ii) particulars of the cheque, money order or postal order by means of which the entrance fee is paid by each entrant; and
 - (c) the entrance fee paid for each entry in the competition shall be paid into the account of the licensee in such bank as is specified in the licence.

12. A newspaper prize competition licence shall be subject to the following conditions in addition to the conditions specified in section 10 :—

- (1) every entry form in any prize competition promoted or conducted under the authority of the licence shall be printed or published in the newspaper in or through which the competition is authorized by the licence to be promoted or conducted;
- (2) every entry form in the competition shall bear on its face—

Special conditions to which newspaper prize competition licences are subject.

(a) the name and address of the licensee, and

(b) the entrance fee for each entry in the competition;

(3) any advertisement of the competition and any list (whether complete or not) of prize winners in the competition shall not be printed or published except in the newspaper in or through which the competition is authorized by the licence to be promoted or conducted; and

(4) the competition shall be promoted or conducted in or through the newspaper in or through which the competition is authorized by the licence to be promoted or conducted.

Provided further that nothing in the preceding provisions of this subsection shall apply in any case where any action or proceeding arising out of any claim made in respect of a prize is pending before any court at the expiration of the period aforesaid until such time as that action or proceeding is finally determined and unless the effect of that determination is that the claimant is not entitled to the prize.

(2) No act done in compliance with the provisions of subsection (1) in relation to any prize in any prize competition shall subject any promoter or conductor of the competition or the Deputy Secretary to the Treasury to any action, claim, demand or liability whatsoever.

14. (1) Every member of the governing body of any such society, newspaper publisher or trading company as holds a licence under this Act shall be deemed for the purposes of this Act to promote or conduct every local prize competition under that licence.

Persons who are deemed to promote or conduct prize competitions.

(2) The head for the time being of any school in or through whose magazine a prize competition is promoted or conducted shall be deemed for the purposes of this Act to promote or conduct the competition.

15. Any act which is authorized or required to be done by or under this Act by a licensee may be done on behalf of the licensee by any person authorized in that behalf in writing by the licensee.-

Authorized representative may act on behalf of licensee.

16. No person shall take part in any foreign prize competition,

Prohibition of participation in foreign prize competition.

17. (1) Every person who contravenes— Offences.

(a) the provisions of subsection (3) of [§3 51 of 1968.] section 2, or

(b) the provisions of section 3, or

(c) the provisions of section 16,

shall be guilty of an offence.

13. (1) After the expiration of a period of six months reckoned from the date of the conclusion of any prize competition promoted or conducted under the authority of a licence, any money prize or other prize in the competition which has not been paid or delivered to the person entitled thereto by reason of the fact that he is not known shall be disposed of in the following manner:—

Disposal of unclaimed prizes in licensed prize competitions.

(a) if the prize is a money prize, the amount of the prize shall be forthwith paid by the licensee to the Government Agent of the administrative district in which such licensee resides to be credited to the Consolidated Fund of Sri Lanka;

(b) if the prize is not a money prize, it shall forthwith be sold by public auction by the licensee and the proceeds thereof shall be paid by the licensee to such Government Agent to be credited to the Consolidated Fund of Sri Lanka:

Provided that where the licensee is a society and entries in the competition are restricted by the licence to members of that society, the amount referred to in paragraph (a) of this subsection or the proceeds referred to in paragraph (b) of this subsection shall be paid to the funds of that society;

- (2) Where—
 - (a) any provision of this Act relating to any prize competition authorized by a licence is contravened, or
 - (b) any condition of a licence is not complied with in regard to any prize competition authorized by the licence, or
 - (c) any provision of this Act relating to any school magazine competition is contravened,

found in such place or premises and to seize and detain any document, money, instrument or thing found therein which he has reasonable ground to suppose is directly or indirectly connected with the commission of any offence under this Act and, if he thinks fit, to arrest any person found in such place or premises whom he has reason to suspect is guilty of any such offence.

(2) Where a police officer has reason to suspect that any offence under this Act is being or has been committed in any place or premises or that there is any document or thing directly or indirectly connected with any such offence in any place or premises and that a search warrant cannot be obtained under subsection (1) without giving the offender an opportunity of escaping or concealing evidence of the offence, he may, after recording the grounds of his suspicion, exercise all or any of the powers which could have been conferred upon him by a search warrant under subsection (1).

every person who is deemed for the purposes of this Act to have promoted or conducted such competition shall be guilty of an offence.

Punishment for offences under this Act.

18. Every person who commits an offence under this Act shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one thousand rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.

Forfeiture of money and disposal of productions before court.

19. The court before which a person is convicted of an offence under this Act in relation to any prize competition may order to be forfeited to the State any money produced before the court which is shown to the satisfaction of the court to represent the proceeds of such competition or prize money in such competition and shall order to be destroyed all documents (other than any document which is money within the meaning of this Act) produced before the court which are shown to the satisfaction of the court to relate to the promotion or conduct of such competition.

Search warrants.

20. (1) Where a Magistrate is satisfied by information on oath that there is reason to suspect that any offence under this Act is being or has been committed in any place or premises or that there is any document or thing, directly or indirectly connected with any such offence in any place or premises, he may issue a search warrant authorizing any person named therein to enter and search such place or premises at any time with such assistance and using such force as may be necessary, and to search any person

21. A copy of a licence purporting to be certified to be a true copy by the Secretary or by any officer on behalf of the Secretary may be produced in proof of the contents of that licence in any proceedings under this Act.

Proof of licence by production of certified copy.

22. A licence may, instead of being signed by the Minister, bear a facsimile of his signature affixed to the licence in the presence of the Secretary or any officer on behalf of the Secretary. The Secretary or such officer, as the case may be, shall sign the licence in token of his presence.

Affixing of facsimile of Minister's signature to licence.

23. 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.

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

"accountant" means any person who is registered as an auditor under the Companies Ordinance ;

"commercial purpose" means any purpose connected with or incidental to any trade or business ;

- " date of the conclusion ", in relation to any prize competition, means the date on which the result of such competition is known;
- " entrance fee ", in relation to any prize competition, means any sum payable as a fee in respect of any entry in such competition;
- " entry", in relation to any prize competition, means participation as a competitor in such competition;
- " entry form ", in relation to any prize competition, means any form or document, by whatever name called, by means of which an entry is made in such competition;
- " entrant", in relation to any prize competition, means a competitor in such competition;
- " foreign prize competition" means a prize competition promoted or conducted outside Sri Lanka;
- " governing body", in relation to any society, newspaper publisher or trading company, means the person or body of persons for the time being charged with the management or administration of that society's affairs or of the business of that newspaper publisher or trading company, as the case may be ;
- " licence " means a licence issued under this Act;
- " licensee" means a person to whom a licence is issued;
- " money" includes a currency note, cheque, postal order, money order or any security for money ;
- " newspaper" includes any journal, magazine or other periodical publication by whatever name called;
- " newspaper publisher " means any person carrying on the business of publishing one or more newspapers;
- " prize competition" means any [§4,5]of competition in which prizes in kind, ¹⁹⁶⁸⁻! cash or services are awarded but does not include a lottery;
- " proceeds", in relation to any prize competition, means the total amount paid as entrance fees in respect of entries in such competition;
- " school magazine " means any magazine, journal or other periodical publication, by whatever name called, published by or under the authority of the head of a school;
- " school magazine competition " means a prize competition promoted or conducted in or through a school magazine;
- " Secretary " means the Secretary to the Ministry charged with the subject of Home Affairs;
- " society " means—
- (a) any school, or
 - (b) any society, association or body of persons, corporate or unincorporate (other than a racing club within the meaning of the Betting on Horse-racing Ordinance or a newspaper publisher or a trading company) established or maintained—
 - (i) for the promotion or encouragement of any public, religious, philanthropic, educational or charitable purpose, or
 - (ii) for the promotion or encouragement of any game or any sporting or athletic activity; and
- " trading company " means any company registered under the Companies Ordinance* and carrying on any trade or business other than the business of publishing any newspaper.

• Repealed and replaced by the Companies Act, No. 17 of 1982.