

COCONUT FIBRE ACT

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17 of 1967,
50 of 1971,
56 of 1971,
45 of 1984.

AN ACT to regulate encourage and assist the development of the Coconut Fiber industry in Sri Lanka and the export of coconut fibre and coconut fibre products from Sri Lanka, and to make provision for matters connected therewith or incidental thereto.

[Date of Commencement: 10th March, 1968]

1. Short title.

This Act may be cited as the Coconut Fibre Act.

2. Coconut Fibre Board.

(1) For the purposes of this Act, there shall be established a Board called "The Coconut Fibre Board", hereinafter referred to as "the Board", which shall consist of a Chairman and ten other members all of whom shall be appointed by the Minister. Of such ten members, four members shall be appointed out of lists of names submitted by fibre millers associations in Sri Lanka, and one member shall be appointed out of lists of five names, each such list being submitted by a single trade union, registered under the Trade Unions Ordinance, and representing the coconut fibre milling industry.

(2) The Board shall be a body corporate and shall have perpetual succession and a common seal.

(3) The seal of the Board shall be authenticated in the prescribed manner and when so authenticated shall be judicially noticed.

(4) The Board may sue and be sued under the name and style of "The Coconut Fibre Board".

(5) The Board shall appoint a Manager and a Secretary.

(6) Any service on the Board of any legal process or notice may be effected by service on the Secretary of the Board. In civil proceedings, it shall be lawful for the Secretary to sign proxies on behalf of the Board.

(7) Five members of the Board excluding the Chairman or other presiding member shall form a quorum thereof; but subject to the provisions of this subsection, the Board may act notwithstanding any vacancy in their number.

(8) The Chairman and every other member of the Board shall, upon appointment, hold office for a period of three years; but the Minister may, notwithstanding the term of any such appointment, remove the Chairman or any other member of the Board from office at any time:

Provided that it shall be lawful for the Chairman or any other member of the Board to resign therefrom at any time.

(9) Any person ceasing to be a member of the Board shall be eligible for reappointment thereto.

(10) The Chairman shall preside at all meetings of the Board at which he is present. In the absence of the Chairman from any meeting, the members present at that meeting may, subject to the provisions of subsection (7), elect one of their own number to be the Chairman at that meeting.

(11) The Chairman may summon a meeting of the Board at any time, and shall summon a meeting upon receipt of a requisition therefor signed by three members of the Board.

(12) All questions shall be decided by a majority of the members voting at a meeting of the Board. The Chairman or presiding member shall have an original vote on all questions as well as a casting vote if the votes be equally divided.

(13) A member of the Board who is absent without reasonable cause from three consecutive meetings of the Board may, by resolution of the Board passed at a meeting of which notice has been duly given, be held to have vacated his office; and, upon the passing of any such resolution, the member affected by that resolution shall cease to be a member of the Board.

(14) The Board may regulate its own procedure in any matters not provided for in this Act or in regulations made thereunder.

3. Powers and duties of the Board.

- (1) Subject to the provisions of subsection (2), the Board shall have full power and authority—
- (a) to acquire and hold property, movable or immovable, and to sell, transfer, lease, mortgage or otherwise dispose of such property;
 - (b) to appoint, employ and remunerate and control its officers and servants and to direct and decide all matters connected with the administration of its affairs;
 - (c) to take such steps as it may consider necessary, both in and outside Sri Lanka, to advertise Sri Lanka coconut fibre, to create, promote, encourage and further the demand for coconut fibre in the markets of the world, and to initiate, finance, support and supervise propaganda work for the sale of coconut fibre or for other purposes connected therewith or incidental thereto;
 - (d) to take such steps as it may consider necessary for the development or welfare of the coconut fibre industry by organising, assisting or participating in exhibitions or fairs in or outside Sri Lanka;
 - (e) subject to such regulations as may be made in that behalf, to aid and finance local associations or cooperative societies formed for the advancement and support of the coconut fibre industry;
 - (f) to formulate a scheme for the re-organisation of the industry to be approved by the Minister, and to promote and subsidise the erection or extension of factories in which coconut fibre may be manufactured or used;
 - (g) subject to such regulations as may be made in that behalf, to grant financial assistance to local associations or co-operative societies in the shipping of coconut fibre;
 - (h) to investigate questions relating to freight and the export or transport of coconut fibre and to make recommendations thereon to the Minister;
 - (i) to formulate for the consideration of the Minister, schemes for the establishment, supervision, control and financial support of such institutions as may be or become necessary for the amelioration of the conditions of the coconut fibre industry;
 - (j) to receive and disburse moneys for the accomplishment of the objects for which it is established;
 - (k) to raise funds or capital and to borrow money whether on the security of its assets or otherwise;
 - (l) to establish, manage, supervise and support a sales room for the sale of coconut fibre within and outside Sri Lanka;
 - (m) to formulate schemes to give effect to the objects and purposes of this Act;
 - (n) to enter into contracts and generally to do all such things as may be necessary for the due exercise of the powers conferred and for due compliance with the duties imposed upon the Board by this Act or by regulations made thereunder;
 - (o) to ensure that the workers engaged in the fibre industry are paid the rates of wages fixed by the relevant Wages Board, appointed under the Wages Boards Ordinance, and are provided with suitable housing accommodation and also provided with satisfactory working conditions as set out in such laws as relate to the conditions of workers;
 - (p) subject to such regulations as may be made in that behalf, to make all necessary arrangements for the Board to export and to so export coconut fibre, if the interests of the industry so require; and
 - (q) subject to such regulations as may be made in that behalf, to fix floor prices for the various grades of fibre sold in the sales room of the Board, and see that such floor prices are not circumvented by groups of persons acting in collusion or by such other unfair practices.

(2) The Minister may give the Board such general or special directions relating to the exercise, performance and discharge of its powers, duties and functions as he may order to ensure the

financial stability of the Board and the efficient performance of the work of the Board. The Board shall furnish the Minister with all such information (including returns) as the Minister may demand from the Board for the performance of the Minister's powers under this subsection.

4. Remuneration of members of the Board.

The members of the Board may be remunerated in such manner, at such rate and from such date, as the Minister may, in consultation with the Minister in charge of the subject of Finance, determine.

[S 4 subs by s 2 of Act 56 of 1971.]

5. Sales room.

(1) The Board may establish a sales room in Colombo for the auction and sale of coconut fibre.

(2) The establishment of a sales room in Colombo under subsection (1), shall not, for a period of three months reckoned from the date of such establishment, affect or invalidate any forward contract made prior to the date of the coming into operation of this Act for the delivery or sale of coconut fibre at a price fixed definitely in that contract in money or money's worth.

(3) Where a sales room has been established under subsection (1)—

(a) regulations shall be made for the registration of forward contracts by the Board and for the measures to be taken and the procedure to be adopted in order to give effect to the provisions of this subsection; and

(b) auction sales may be held in such sales room on such dates as may be determined by the Board.

6. Registration of auctioneers and brokers.

(1) The Board shall keep a register of approved auctioneers and brokers, may be made.

(2) Regulations prescribing:

(a) the form of the register of auctioneers and brokers; and

(b) the procedure whereby an auctioneer or a broker may be approved and registered by the Board.

7. Sales to be conducted by registered auctioneers.

Where a sales room has been established under section 5(1) no coconut fibre shall be offered or put up for sale at such sales room except through a registered auctioneer or an officer of the Board who is an auctioneer.

8. Registration of shippers, dealers and millers.

Regulations may be made providing for the registration of shippers, dealers and millers and prescribing the terms and conditions upon which a person may be registered as a shipper, or a dealer, or a miller, as the case may be.

9. Stock-books to be kept by shippers, dealers and millers.

The Board may require any shipper, dealer or miller to keep in the prescribed form a stock-book containing the prescribed particulars relating to coconut fibre purchased, kept, stored, sold or shipped by him.

10. Returns.

The Board may require any shipper dealer or miller to furnish to the Board on the prescribed dates returns in the prescribed form containing such particulars as may be required in respect of stocks and shipments of coconut fibre and contracts and agreements relating to the purchase, sale, marketing, storage, import or export of such fibre, or to the rates of freight charged or chargeable for the transport of such fibre.

11. Power of Board to call for formation.

It shall be lawful for the Board at any time to call upon any auctioneer, broker shipper, dealer, or miller—

- (a) to furnish before a specified date such information or explanation as the Board may require in respect of any particulars stated in any return furnished by such auctioneer, broker, shipper, dealer, or miller; or
- (b) to produce or cause to be produced before a specified date such documentary or other evidence as the Board may require for the purpose of verifying any facts or particulars stated in any return furnished by such auctioneer, broker, shipper, dealer, or miller.

12. Returns to be verified by statutory declaration.

(1) Every return furnished under this Act shall be accompanied by a declaration that the statements contained therein are true and accurate. A similar declaration shall be attached to the documents whereby any information is supplied or explanation is offered under this Act.

(2) Every declaration referred to in subsection (1) shall be free from stamp duty.

13. Particulars in returns to be treated as confidential.

All particulars contained in any return furnished, information supplied or explanation offered under this Act shall be treated as confidential by the Board and by every member, officer or servant thereof except where the person furnishing such return, supplying such information or offering such explanation otherwise agrees.

14. Penalty for unlawful disclosure or publication of information.

No information obtained under this Act in regard to any person or business shall be disclosed or published by the Board or by any member, officer or servant thereof except for the purposes of this Act or of any legal proceedings thereunder; and any person who knowingly discloses or publishes any such information shall be guilty of an offence and 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 two years, or to both such fine and imprisonment:

Provided that nothing in this subsection contained shall be deemed to prohibit the disclosure or publication for statistical purposes of facts and figures which make no reference to any particular individual or business.

15. Sale certificates.

(1) The Board shall, on demand, issue a sale certificate to every person who purchases coconut fibre at the sales room.

(2) Every sale certificate shall be in the prescribed form and shall state the name of the purchaser and the quantity of the fibre purchased by him.

16. Fibre export licence.

On and after a date to be fixed by the Minister by Notification published in the *Gazette*, no coconut fibre shall be exported from Sri Lanka except upon a coconut fibre export licence issued by the Board.

17. Regulations relating to the manufacture and export of coconut fibre.

Regulations may be made for or in respect of all or any of the following—

- (a) the regulation, inspection, supervision, and control of the manufacture, packing, transport, storing, and export of coconut fibre;
- (b) prescribing standards of quality to which all coconut fibre manufactured shall conform;
- (c) ensuring that coconut fibre exported from Sri Lanka is of good quality;

- (d) the inspection, supervision, regulation and control of factories, stores, buildings, equipment, and machinery used or to be used for the manufacture, packing, or storing of coconut fibre;
- (e) the issue, renewal, suspension and cancellation of coconut fibre export licenses and the terms and conditions subject to which such licenses shall be issued;
- (f) the registration of manufacturers or shippers of coconut fibre, the terms and conditions subject to which such registration shall be effected, and the circumstances in which the registration of any such manufacturer or shipper may be renewed, suspended, or cancelled;
- (g) the prohibition of the manufacture or shipment of coconut fibre except by registered manufacturers or shippers;
- (h) applications for registration as manufacturers or shippers of coconut fibre, and prescribing forms for such applications;
- (i) the fees to be paid for the registration of manufacturers or shippers of coconut fibre and for the issue of coconut fibre export licenses, and the time and mode of payment of such fees;
- (j) appeals to the Minister against the refusal to register, or to renew the registration of, any person as a manufacturer or shipper of coconut fibre, or against the suspension or cancellation of the registration of any manufacturer or shipper, or against the refusal, suspension, or cancellation of coconut fibre export licenses;
- (k) the manner in which such appeals to the Minister shall be preferred and disposed of, and the procedure to be followed at the hearing of such appeals;
- (l) the fees to be paid by persons preferring such appeals to the Minister, and the time and mode of payment of such fees;
- (m) the investigation of complaints made by foreign importers regarding any coconut fibre which has been exported from Sri Lanka;
- (n) subject to the provisions of this Act, the regulation of the procedure of the Board, and
- (o) all matters incidental to or connected with the matters referred to in this subsection.

18. .

[S 18 rep by s 5 of Act 45 of 1984.]

19. Transfer of moneys to the Board.

All moneys collected by way of export duty on mattress fibre and bristle fibre under section 23 of the Coconut Products Ordinance and lying with the Ceylon Coconut Board as on the 10th day of March, 1968, shall, with effect from that date, be transferred and be deemed to be transferred to the Coconut Fibre Board.

20. Accounts and budget.

- (1) The financial year of the Board shall end on the 31st day of December.
- (2) The Board shall prepare the first budget of the Board. Such budget shall contain a statement of the estimated income and expenditure of the Board from the date of the establishment of the Board to the end of the year in which such establishment occurs.
- (3) In the month of November in each year the Board shall submit to the Minister a budget of the estimated income and expenditure of the Board for the next succeeding year.
- (4) Whenever the Board proposes to incur in any year any expenditure in excess of the estimated expenditure as set out in the budget for that financial year, the Board shall prepare and submit to the Minister a supplementary budget containing an estimate of the additional expenditure proposed to

be incurred and of any increase anticipated in its estimated income as set out in the budget for that year.

(5) Every budget and every supplementary budget of the Board shall be laid on the table of Parliament for the information of the members thereof.

(6) The accounts of the Board shall be audited annually by a qualified auditor appointed by the Minister on the advice of the Auditor-General.

(7) For the purposes of this section the expression "qualified auditor" means:

- (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka, or of any other Institute established by law, possesses a certificate to practice as an Accountant issued by the Council of such Institute ; or
- (b) a firm of Accountants each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant issued by the Council of such Institute.

(8) The Auditor-General shall have the power:

- (a) to direct the manner in which the accounts of the Board shall be audited by the qualified auditor and to give such auditor instructions in regard to any matter relating to the performance of his functions as such auditor; and
- (b) to conduct a supplementary or test audit of the accounts of the Board by such person or persons as the Auditor-General may authorise in that behalf, and for the purpose of such audit, to require information or additional information to be furnished to any person or persons so authorised on such matters, by such person or persons, and in such form, as the Auditor-General may by general or special order direct.

(9) The qualified auditor shall examine the accounts of the Board and furnish a report stating:

- (a) whether he has or has not obtained all the information and explanations required by him; and
- (b) whether the balance sheet and accounts referred to in the report are properly drawn up so as to exhibit a true and fair view of the affairs of the Board.

(10) The qualified auditor shall submit a copy of his audit report to the Auditor-General, who shall have the right to comment upon, or supplement, the auditor's report in such manner as the Auditor-General may think fit.

(11) The Auditor-General shall transmit the audit report together with his comments upon or his supplement to such report to the Board.

(12) The Board shall, on receipt of the qualified auditor's report in each year, transmit to the Minister:

- (i) a copy of such report together with the Auditor-General's comments (if any) upon, and his supplement (if any) to, such report;
- (ii) a copy of the profit and loss account;
- (iii) a copy of the balance sheet; and
- (iv) a report by the Board on its work for the period for which the profit and loss account and the balance sheet have been made up.

(13) The Minister shall cause copies of the documents specified in subsection (12) to be laid before Parliament for approval within six months after the receipt of such documents by the Minister.

21. Right of inspection.

Subject to such instructions as the Board shall issue in that behalf, the Manager or any person authorised by him in writing may at any reasonable time during the day enter any store, godown, factory, shed, estate or premises for the purpose of inspection, or for the purpose of verifying stocks or any particulars furnished in any return made or information given to the Board, or for the purpose of examining the stock-books of shippers, dealers and millers.

22. Protection of officers.

No action shall be instituted against the Board or the Chairman or any other member of the Board or the Manager, Secretary or other officer of the Board, or any person acting in compliance with any direction or requirement of the Board or the Chairman or the Manager or Secretary or other officer of the Board, to charge him, them or any of them in respect of any act which may have been done or which may have been left undone in good faith in pursuance or supposed pursuance of his or their powers or duties under this Act.

23. Gratuities and provident fund.

(1) The Board may, out of the moneys of the Board, pay to any employee of the Board who leaves the service of the Board by reason of the abolition of the office or post held by him, or to the heirs of any deceased employee of the Board, a gratuity of such amount as the Board may in its discretion determine.

(2) The Board may establish and maintain a provident fund for the benefit of all or any of its employees and their dependants or nominees, and may make contributions to such fund out of the moneys of the Board.

24. Power of Minister to mitigate case of hardship.

if in the operation of this Act any case shall arise in which in the opinion of the Minister substantial hardship is likely be caused to any person by reason of an unintentional failure on the part of such person to observe any formality prescribed by this Act or by any regulations made thereunder, the Minister may give such directions as may be necessary to mitigate or prevent such hardship.

25. Offences and penalties.

(1) Any person who—

- (a) commits a breach of any of the provisions of this Act or of any regulation made thereunder; or
 - (b) resists or obstructs any person in the performance of the duties imposed or in the exercise of the powers conferred upon him by this Act; or
 - (c) omits or refuses when lawfully called upon by the Board under this Act—
 - (i) to furnish a return or to produce or cause to be produced such documentary or other evidence as the Board may require for the purpose of verifying any fact stated in any such return; or
 - (ii) to supply any information or offer any explanation; or
 - (d) knowingly makes any false statement in any declaration or return furnished by him under this Act or knowingly offers any false explanation or supplies any false information when lawfully called upon by the Board to offer an explanation or to supply any information; or
 - (e) exports or attempts or conspires to export coconut fibre in contravention of the provisions of this Act or of any regulation made thereunder,
- shall be guilty of an offence and 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 period not exceeding six months or to both such fine and imprisonment.

(2) No prosecution for any offence under this Act or a regulation made thereunder shall be instituted except with the written sanction of the Attorney-General.

26. Regulations.

(1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act.

(2) In particular and without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations for or in respect of all or any of the following matters—

- (a) all matters required or authorised in this Act to be prescribed;
- (b) the grant of financial assistance to associations or co-operative societies which engage or wish to engage in shipping of coconut fibre out of Sri Lanka, the terms and conditions under which such financial assistance may be granted, and all matters pertaining or consequent upon such grant, including the mode of recovery of sums so granted ;
- (c) the registers and books which shall be kept for the purposes of this Act, the forms of such registers and books and the particulars to be entered therein;
- (d) the forms of all returns, notices, certificates, licenses, declarations, and documents required to be made, certified, issued or used for the purposes of this Act;
- (e) the inspection of stores, godowns, estates, factories, sheds or premises of shippers, dealers and millers, and the verification of stocks of shippers, dealers and millers;
- (f) the payment or recovery of fees, allowances or other charges;
- (g) the examination and grading of coconut fibre, the establishment of standard qualities for such fibre and the issue of certificates of quality;
- (h) the conduct of sales and auctions in the sales room, the conditions applicable to such sales and auctions, and the regulation of the use of the sales room;
- (i) the notification of the minimum price at which coconut fibre shall be sold from time to time in the sales room;
- (j) the regular publication of the maximum prices realised in the sales room on the sale of the various classes of coconut fibre;
- (k) the resale or disposal in the sales room of coconut fibre previously sold for export in the sales room and not exported;
- (l) the erection, establishment, maintenance and control of store houses, collecting stations, warehouses and godowns for coconut fibre;
- (m) the grant of monetary advances against coconut fibre in the custody of the Board and against coconut fibre which have been sold or are awaiting sale;
- (n) the collection of statistics relating to the coconut fibre industry;
- (o) the provident fund;
- (p) all matters incidental to or connected with the matters or subjects specifically referred to in this subsection.

27. Ministerial Orders for transitional period.

(1) It shall be lawful for the Minister to make Orders providing for any unforeseen or special circumstances, or for determining or adjusting any question or matter that may arise in connection with the establishment and functioning of the Board in relation to the affairs of the Ceylon Coconut Board. No such Order shall be in conflict with any provisions of this Act or any regulation made thereunder.

(2) Any Order made under subsection (1) shall, upon publication in the *Gazette*, have the force of law as though herein enacted, and shall be binding on the Coconut Fibre Board and the Ceylon Coconut Board.

(3) The Ceylon Coconut Board means the Board established under the Coconut Products Ordinance.

128. .

[Omitted.]

29. Interpretation.

In this Act, unless the context otherwise requires—

"auctioneer" means an auctioneer licensed under the Auctioneers and Brokers Ordinance;

"broker" means a broker licensed under the Auctioneers and Brokers Ordinance;

"Chairman" means the Chairman of the Board;

"coconut fibre" means fibre manufactured from the husk of the coconut and includes—

(a) fibre commonly known as mattress fibre;

(b) fibre commonly known as bristle fibre; and

(c) coconut fibre products.

"coconut fibre product" means any article manufactured mainly with the husk of the coconut;

"dealer" means a dealer in coconut fibre;

"estate" means any land on which the coconut palm is grown,

"manufactured" with its grammatical variations and cognate expressions means manufactured for the purposes of trade and not for the personal or domestic use of the manufacturer;

"Manager" means the Manager appointed by the Board;

"miller" means a manufacturer of coconut fibre;

"prescribed" means prescribed by this Act or by regulations made thereunder;

"proprietor" means the owner, lessee or usufructuary mortgagee of an estate and includes the local agent of an owner who is absent from Sri Lanka; regulations

"registered" means registered under this Act or the made thereunder;

"regulation" means a regulation made by the Minister under this Act;

"sale" includes a sale by sample or grade and a sale for immediate or future delivery;

"sales room" means the sales room that may be established under section 5;

"Secretary" means the Secretary of the Board;

"shipper" means a person who exports coconut fibre from Sri Lanka or obtains shipping facilities to enable another person so to export coconut fibre.

¹ Section 28 is omitted, as amendments made by that section to section 31 of the Coconut Products Ordinance have been incorporated in that Ordinance.

