

AN ACT TO AMEND THE VOLUNTARY SOCIAL SERVICE
ORGANIZATIONS (REGISTRATION AND SUPERVISION) ACT, NO.31 OF
1980

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

Short title.

1. This Act may be cited as the Voluntary Social Service
Organizations (Registration and Supervision) (Amendment) Act,
No..... of 2018.

Replacement of the
Long Title to the
Act, No.31 of 1980.

2. The Long Title to the Voluntary Social Service Organizations
(Registration and Supervision) Act, No. 31 of 1980 (hereinafter
referred to as the "principal enactment") is hereby repealed and the
following Long Title is substituted therefor :-

"AN ACT TO PROVIDE FOR THE REGISTRATION OF ALL
NON-GOVERNMENTAL ORGANIZATIONS; TO PROVIDE
FOR THE ESTABLISHMENT OF THE NATIONAL
SECRETARIAT FOR NON-GOVERNMENTAL
ORGANIZATIONS TO FUNCTION AS THE APEX BODY FOR
REGULATION, SUPERVISION AND INSPECTION OF THE
NON-GOVERNMENTAL ORGANIZATIONS; TO PROMOTE
THE MUTUAL CO-OPERATION BETWEEN NON-
GOVERNMENTAL ORGANIZATIONS AND THE
GOVERNMENT; TO RECOGNIZE THE NON-
GOVERNMENTAL ORGANIZATIONS IN ITS ENDEAVOUR TO
STRENGTHEN AND EMPOWER THE CIVIL SOCIETIES TO
MEET THE COMMON DEVELOPMENT NEEDS OF THE
COUNTRY; TO FACILITATE FOR THEIR EFFECTIVE
FUNCTIONING AND TO ENSURE TRANSPARENCY AND
ACCOUNTABILITY IN RESPECT OF FINANCIAL AND
POLICY MANAGEMENT OF SUCH ORGANIZATIONS; AND
TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR
INCIDENTAL THERETO."

"Voluntary Social Service Organizations (Registration and Supervision) Act" to be known as "Non-Governmental Organizations Act".

3. (1) In the principal enactment and in any other written law there shall be substituted-

- (a) for the words "Voluntary Social Service Organizations (Registration and Supervision) Act" wherever those words occur in the principal enactment or in any other written law, the words "Non-Governmental Organizations Act"; and
 - (b) for the words "Registrar of Voluntary Social Service Organizations", "Registrar", "Deputy Registrars and Assistant Registrars of Voluntary Social Service Organizations", "voluntary organizations" wherever those words occur in the principal enactment or in any other written law the words "Director General of Non-Governmental Organizations", "Director General," "Director, Deputy Director, Assistant Director of Non-Governmental Organizations and Non-Governmental Organization", respectively.
- (2) (a) every reference to the "Voluntary Social Service Organizations (Registration and Supervision) Act" in any notice, notification, contract, communication or other document shall be read and construed as a reference to the "Non-Governmental Organizations Act"; and
- (b) every reference to the "Registrar of Voluntary Social Service Organizations", "Registrar", "Deputy Registrars and Assistant Registrars of Voluntary Social Service Organizations", "voluntary organizations" in any notice, notification, contract, communication or other document shall be read and construed as a reference to the "Director General of Non-Governmental Organizations", "Director General", "Director, Deputy Director, Assistant Director of Non-Governmental Organizations", "Non-Governmental Organizations" respectively.

Insertion of new section 1 A in the principal enactment.

4. The following new section is hereby inserted immediately after section 1 of the principal enactment and shall have effect as section 1A of that enactment:-

"Establishment of National Secretariat for Non-Governmental Organizations.

1A. (1) There shall be established a National Secretariat for Non-Governmental Organizations (hereinafter referred to as the "Secretariat").

(2) The Secretariat shall, for the purposes of this Act, be deemed to be a body corporate and shall have perpetual succession and a common seal and may sue and be sued against it. "

Insertion of new sections 2A, 2B and 2C in the principal enactment.

5. The following new sections are hereby inserted immediately after section 2 of the principal enactment and shall have effect as sections 2A, 2B and 2C of that enactment:-

"Functions of the Secretariat.

2A. (1) The functions of the Secretariat shall be-

- (a) to function as the apex body on all matters relating to the affairs of the non-governmental organizations referred to in this Act;
- (b) to maintain a register of all non-governmental organizations registered with the Secretariat;
- (c) to investigate into any complaints or suspicion of -

(i) misconduct in such non governmental organization; or

(ii) criminal activities including the offence of terrorist financing or money laundering which is purported to have been committed by such non-

governmental organization and refer such matters to law enforcement agencies and other relevant authorities as the case may be;

- (d) to respond to such international requests for information relating to such non governmental organizations suspected of terrorist financing, money laundering and other forms of terrorist support;
- (e) to organize lectures, seminars, workshops and other programmes within or outside Sri Lanka with a view to enhancing and strengthening the capacities of the non-governmental organizations;
- (f) to promote the development of mechanisms to facilitate closer co-operation between the government and the non-governmental organizations;
- (g) to facilitate, coordinate and evaluate programmes and projects implemented by non- governmental organizations;
- (h) to promote accountability and transparency in the non-governmental organizations, including the adoption and maintenance of codes of conduct and independent system of monitoring performance;
- (i) to set up resource centres and libraries to provide information relevant to the non-governmental organizations;
- (j) to establish divisional, district and national level federations of civil society organizations;

(k) to establish, maintain and operate a data base relating to the non-governmental organizations; and

(l) to perform such other functions as are necessary and incidental to the implementation of the provisions of this Act.

(2) For the purposes of this section "relevant authorities" shall include the Financial Intelligence Unit of the Central Bank of Sri Lanka, established in terms of the Financial Transactions Reporting Act, No. 6 of 2006, the Terrorist Information Division of the Criminal Investigation Department and the Criminal Investigation Department or any other authority prescribed by regulation.

Powers of the Secretariat.

2B. The Secretariat shall have the following powers –

- (a) to hold, take or give on lease or hire, mortgage, pledge or sell or otherwise dispose of, any movable or immovable property;
- (b) to construct buildings on any land conveyed to, or belonging to the Secretariat;
- (c) to open and maintain current, savings or deposit accounts in any bank or banks;
- (d) to accept and receive, grants, gifts or donations both movable and immovable, from sources in Sri Lanka and abroad and utilize them for the purpose of discharging the functions of the Secretariat.

Provided however, the Secretariat shall obtain prior written approval of the Department of External Resources in respect of all foreign grants, gifts or donations;

- (e) to enter and inspect at all reasonable times of the day, the premises of a non-governmental organization registered under this Act for the purpose of ascertaining whether such standards of service as may be prescribed are maintained in such organization;
- (f) to bring to the notice of the Minister any allegation of fraud or misappropriation of funds committed by such non-governmental organization;
- (g) to attend any meeting of the executive committee of such non-governmental organization or a general meeting of the members of such organization, upon the written request of all or a majority of the members of the executive committee of such organization, or with the concurrence of the office bearers of such organization. The Director General or the officer so attending shall not have the right to vote at such meeting;
- (h) examine books, registers or records maintained by such non-governmental organization and make copies and extracts therefrom;

- (i) to enter and perform directly or through any officer or agent authorized in that behalf, all such contracts as may be necessary for the discharge of the functions and the exercise of the powers of the Secretariat;
- (j) to request and obtain any information from any non-governmental organization required under this Act;
- (k) to require the banks to provide information relating to financial activities of non-governmental organizations;
- (l) to enter into an agreement with local and foreign non-governmental organizations for effective functioning of the provisions of this Act;
- (m) generally, to do all such other acts and things as are necessary to facilitate the proper discharge of the functions of the Secretariat.

Powers of the Director General. 2C. (1) Director General shall administer and supervise the affairs of the Secretariat.

(2) Director General or any officer authorized by him in writing in that behalf shall have the power to carry out the functions referred to in paragraphs (e), (f), (g), (h), (i), (j), (k) and (l) of section 2B."

Replacement of section 3 of the principal

6. Section 3 of the principal enactment is hereby repealed and the following new section is substituted therefor:-

enactment.

“Every non-governmental organization to apply for registration.

3. (1) No non-governmental organization shall operate in Sri Lanka unless it has been duly registered under section 4 of this Act.

(2) A non-governmental organization registered under section 4 shall, by the name under which it is registered, be a body corporate and shall have perpetual succession, may sue and be sued in that name and shall have a common seal.

(3) Notwithstanding the provisions of subsection (1), any non-governmental organization, which is operating as such on the day immediately preceding the date of commencement of this Act shall register with the Secretariat within six months from the date of commencement of this Act.”.

Insertion of new sections 3A, 3B and 3C in the principal enactment.

7. The following new sections are hereby inserted, immediately after section 3 of the principal enactment and shall have effect as sections 3A, 3B and 3C of that enactment:-

“Exemption from registration.

3A. (1) Where the Secretary is of the opinion that the granting of exemptions are necessary on the grounds of the national interest and general welfare of the Sri Lankan society, under exceptional circumstances, the Secretary may, in consultation with the Director General, grant such organization exemption from registration, subject to such terms and conditions.

(2) Where a non-governmental organization is exempted from registration the Director General shall issue a certificate of exemption in the prescribed form and manner.

Categories of organizations.

3B. (1) For the purpose of registration under section 4, the Secretariat shall categorize all organizations in the following

manner:-

- (a) non-governmental organizations engaged in projects or activities in more than one administrative district with only local funds as National Level Local non-governmental organizations;
- (b) non-governmental organizations in receipt of foreign funds in addition to the local funds as National Level Foreign Funded non-governmental organizations;
- (c) non-governmental organization that have registered its head office or parent organization as a non profit seeking organization under the relevant laws of a country other than Sri Lanka as International non-governmental organization;
- (d) non-governmental organizations operating within the geographical area of a district with local funds as a District Level non-governmental organization;
- (e) non-governmental organizations operating within the geographical area of a divisional level with local funds as a Divisional Level non-governmental organization; and
- (f) non-governmental organizations which are incorporated under Standing Orders of Parliament.

Change of
category of
registration.

3C. Where a non-governmental organization desires to change its category of registration

due to expansion of activities or for any other reason it shall apply to the Director General for the re-registration and the provisions of section 4 shall apply in respect of such re-registration.”.

Replacement of section 4 of the principal enactment.

8. Section 4 of the principal enactment is hereby repealed and the following new section is substituted therefor :-

“Registration Procedure.

4. (1) Every non-governmental organization shall make an application to the Director General for registration, in the prescribed form and manner.

(2) The application shall be accompanied by –

(a) the prescribed fee; and

(b) prescribe particulars and any other document.

(3) Upon receipt of an application under sub section (1), the Director General, as he may consider necessary, require such additional information from the applicant relating to the application.

(4) The Director General may, where he is satisfied that the application complies with the requirements of registration, subject to subsections (5), (6), (7) and (8) subject to such terms and conditions register such organization under this Act within a period of three months from the date of such application.

(5) Where the Director General is of the opinion that it is necessary to obtain the approval of a Ministry or prescribed appropriate Authority, which is responsible for the activities planned to be undertaken by

the non-governmental organization, the Director General may, within one month after receiving an application for registration, refer such application to a Ministry or to a prescribed appropriate Authority for its observations.

(6) Where an application is referred to a Ministry or a prescribed appropriate Authority, under subsection (5) it may, after making such inquiries as it deems necessary submit a report in respect of such application to the Director General within three months of such reference-

(a) approving the registration of such non-governmental organization subject to such terms and conditions as it may deem necessary; or

(b) refusing to approve the registration of such non-governmental organization.

(7) Where an application has been referred to a Ministry or a prescribed appropriate Authority, the Director General shall not take any decision on such application until he receives the report made by such Ministry or Authority.

(8) Upon receipt of a report under subsection (6) the Director General shall, accordingly register such non-governmental organization or refuse the registration of such organization under this Act within a period of one month from the date of such report."

Insertion of new section 4A in the principal enactment.

9. The following new section is hereby inserted, immediately after section 4 of the principal enactment and shall have effect as section 4A of that enactment:-

“Temporary Registration of non-governmental organizations.

4A. (1) Notwithstanding the provisions of section 3(1), where the Secretary is satisfied of the existence of a state of national emergency he shall in consultation with the respective Secretary to the Ministry of the Minister to whom the subject of Social Services, Disaster Relief or Essential Services is assigned, may enter into a Memorandum of understanding (hereinafter referred to as “MOU”) with a non-governmental organization.

(2) The MOU shall contain provisions governing the activities of the aforesaid Ministry relating to the particular national emergency.

(3) Where a MOU is entered into, the Director General or a prescribed Authority shall issue a Temporary Operational Certificate of Registration for the purpose of commencing operations for a period of four months.

(4) Upon the expiration of the validity period of such Certificate the Director General may extend the validity for a further period of four months, as may be determined by the Director General.”.

Replacement of section 5 of the principal enactment.

10. Section 5 of the principal enactment is hereby repealed and the following new section is substituted therefor:-

“Refusal of registration.

5. (1) Where the Director General refuses to approve an application for registration of a non-governmental organization, the Director General shall inform such decision forthwith with reasons assigned therefor to the applicant by registered post.

(2) The applicant aggrieved by the decision of the Director-General may, within thirty days of the receipt of such decision, appeal to the Secretary.

(3) The Secretary may, within three weeks from the date of receipt of the appeal under subsection (2) and after affording an opportunity to be heard –

(a) allow the appeal and direct the Director General to register such organization;

(b) vary or amend the refusal of registration; or

(c) disallow the appeal.

(4) The Director General shall forthwith comply with any direction issued to him under subsection (3).”

Replacement of section 6 of the principal enactment.

11. Section 6 of the principal enactment is hereby repealed and the following new section is substituted therefor:-

“Certificate of Registration.

6. (1) Upon registration under section 4, the Director General shall issue a Certificate of Registration in the prescribed form, within three weeks from the date of such registration.

(2) A Certificate of Registration shall contain-

(a) name, address and the registration number of the organization;

(b) the period of validity and such other details, terms and conditions as may be prescribed by regulation.”

Insertion of new sections 6A in the principal enactment.

12. The following new section is hereby inserted immediately after section 6 of the principal enactment and shall have effect as section 6A of that enactment:-

“Renewal of
Registration.

6A. Every non-governmental organization shall apply in the prescribed manner and form for the renewal of registration, thirty days prior to the date of expiry of such registration.”.

Insertion of new section 7A in the principal enactment.

13. The following new section is hereby inserted immediately after section 7 of the principal enactment and shall have effect as section 7A of that enactment:-

“Banking
services to
non-
governmental
organizations.

7A.(1) Every non-governmental organization shall maintain their bank accounts with a financial institution licensed with the Central Bank of Sri Lanka for banking activities.

(2) A financial institution licensed with the Central Bank of Sri Lanka for banking activities shall not facilitate a non-governmental organization to open or maintain a bank account except upon the proof of registration of such non-governmental organization under this Act.

(3) Where a non-governmental organization referred to in section 3 (3), continues to maintain the bank accounts opened at a financial institution, in contravention of the provisions of that subsection such organization shall commit an offence under this Act.

(4) Where a non-governmental organization opens an account or deposits a sum not less than one million rupees into an account at a financial institution, such financial institution shall forthwith inform the Secretariat of the particulars relating to such bank accounts opened by such non-governmental organization, with that financial institution.

(5) A financial Institution shall report to the Secretariat-

- (a) any transaction performed by a non-governmental organization of an amount exceeding such sums as shall be prescribed by the Minister, in Sri Lanka currency or its equivalent in any foreign currency;
- (b) any electronic funds transfer at the request of or for the benefit of a non-governmental organization, exceeding such sum as shall be prescribed by the Minister, or its equivalent in any foreign currency; and
- (c) of the aggregate balance of the financial accounts maintained by such organization within such period as may be prescribed by regulations from time to time.

For the purposes of this section "Financial Institutions including the following-

- (a) a licensed commercial bank or licensed specialized bank carrying out the banking business within the meaning and for the purpose of the Banking Act, No. 30 of 1988;
- (b) an institution carrying on the finance business within the meaning and for the purpose of the Finance Business Act, No. 42 of 2011;

(c) a corporate society registered under the Cooperatives Law, No.5 of 1972 carrying on finance business;

(d) a Samurdhi Community Based Organization, a Samurdhi Community Based Bank or a Samurdhi Community Based Banking Society established under the Samurdhi Act, No.1 of 2013; or

(e) any other institution other than the institutions referred to in paragraphs (a) to (d), which falls within the meaning of "Institution" referred to in section 33 of the Financial Transaction Reporting Act, No.6 of 2006."

Replacement of section 8 of the principal enactment.

14. Section 8 of the principal enactment is hereby repealed and the following new sections are substituted therefor:-

"Address of the Organization.

8. (1) Every non-governmental organization registered under this Act shall have an address registered with the Secretariat to which all notices and communications may be sent.

(2)(a) Every non-governmental organization shall obtain the approval of the Director General prior to changing the registered address.

(b) Where there is a change of address of the head office of a non-governmental organization, such change of address shall be notified within fourteen days of such change to the Secretariat and to the relevant parties including beneficiaries by way of notices published in national newspapers in Sinhala, Tamil and English.

(3) Such change of address shall be displayed in a conspicuous place at the respective District and Divisional Secretariats where such non-governmental organization operates, for two weeks prior to obtaining such approval.”

Repeal of section 9 of the principal enactment.

15. Section 9 is hereby repealed.

Insertion of new sections 9A,9B,9C, 9D,9E,9F,9G,9H,9I, 9J,9K, 9L,9M,9N and 9O in the principal enactment.

16. The following new sections are hereby inserted , immediately after section 9 of the principal enactment and shall have effect as sections 9A, 9B, 9C, 9D, 9E, 9F, 9G, 9H, 9I, 9J, 9K, 9L, 9M, 9N, and 9O of that enactment:-

“Change of name of non-governmental organization etc.

9A. (1) No registered non-governmental organization, shall –

- (a) change its name;
- (b) amend rules governing the non-governmental organization;
- (c) establish a branch office, subsidiary or an affiliate of non-governmental organization;
- (d) amend the constitution,

unless the prior written approval of the Secretariat has been obtained.

(2) Where a non-governmental organization, makes a request to change the name of the non-governmental organization, such request shall be accompanied by such prescribed information as may be required by the Secretariat.

(3) Where the name of a non-governmental organization, is changed such amendment shall not affect the existing-

- (a) rights, liabilities or obligations of;
- (b) contracts, agreements entered into, or by;
- (c) judgments and orders made in favour of or against;
- (d) suits, actions, appeals and other legal proceedings instituted by or against,

such non-governmental organization.

(4) The Director General may take such steps as are necessary to make consequential changes in respect of the particulars recorded in the Register relating to such non-governmental organization.

Use of name, flag, symbol, logo etc.

9B.(1) The Director General shall in consultation with the Director General of the National Intellectual Property Office in Sri Lanka from time to time, determine the name, flag, symbol, logo or other such insignia intended to be used by a non-governmental organization.

(2) A non-governmental organization shall not be registered-

- (a) with a name, symbol or other insignia which is identical to or is similar to an existing registered organization; or
- (b) if it is likely to mislead members of the public or is likely to give an impression that the organization is affiliated with the government or with any other public authority.

Register of
non-
governmental
organizations.

9C.(1) The Director-General shall maintain a register of non-governmental organizations in the prescribed manner and form at the Secretariat and at Provincial, District and Divisional Level, which shall contain -

- (a) the name and address of the non-governmental organization;
- (b) the details of the governing Board, office bearers, officers and servants, trustees, including their addresses;
- (c) the details of the members;
- (d) nature of its operations;
- (e) its objectives and purposes; and
- (f) any other information as may be prescribed.

(2) Every non-governmental organization shall inform the Director-General of any change in all the particulars specified from paragraphs (b) to (f) of subsection (1).

(3) The Director General shall cause the above register to be updated from time to time by including the particulars referred to in subsection (2).

(4) The Register shall be made available for public inspection or for taking copies or extracts on payment of a prescribed fee, during office hours at the Secretariat and at Provincial, District and Divisional offices as may be determined by the Director General.

Approval to
raise funds.

9D. (1) Every organization registered under this Act shall apply to the Director General in writing for approval where such organization intends to solicit funds over rupees one million from the general public.

(2) An application submitted for approval to collect funds shall include a detailed proposal on the activity outlining the nature, duration and the geographic location of the activity, quantum of funds intended to be raise, expenditure related to the activity, objective or the purpose for which funds are raised, the manner of utilization and such other information, together with the fees as may be prescribed by regulation.

(3) Where requests for donations are made through print or electronic media including internet, all registered non-governmental organizations shall apply to the Director General in writing for approval where such organization intends to solicit funds from the general public.

(4) Non-governmental organizations in receipt of approval under subsections (1) and (3), shall submit half yearly reports of financial receipts in addition to the submission of any information required by the Director General.

(5) On receipt of an application for fund raising in accordance with the provisions of this Act, Director General may, upon satisfaction of the

compliance of such criteria as may be prescribed, grant approval within one month of the date of such application.

(6) The Director General may refuse an application submitted by a non governmental organization under subsection (2), if he is not satisfied of the criteria referred to in subsection (5) and forthwith inform the applicant in writing, of such refusal with reasons assigned.

(7) Any non-governmental organization aggrieved by the decision of the Director General may appeal to the Minister within thirty days of such refusal.

(8) The Minister may, on any appeal made to him under subsection (7) and after affording an opportunity to be heard-

- (a) allow the appeal and direct the Director General to grant approval to raise funds; or
- (b) disallow the appeal.

(9) The Director General shall comply with any direction issued to him under subsection (8).

No funding from one non-governmental organization to another non-governmental organization registered under this Act.

9E. No organization registered as a non-governmental organization under this Act shall receive any form of funding without the approval of the Director General from any other non-governmental organization registered under this Act.

Annual Report.

9F. (1) Every registered non-governmental organization shall prepare an annual report of the activities of the organization for the financial year and submit such report together with the audited

statement of accounts to the Secretariat before the expiration of three months of the year succeeding the year to which such reports relate.

(2) A separate account relating to the foreign and local monies received by such non governmental organization during a financial year shall be attached to the report referred to in subsection (1).

(3) Every annual report shall be made available at the Secretariat for public inspection.

(4) The Director General shall determine the times and manner in which such annual report is inspected.

Financial Year.

9G. The financial year of every non-governmental organization registered under this Act shall be for a period of twelve months.

Audit of
Accounts.

9H. (1) Every non-governmental organization registered under this Act shall cause proper accounts to be kept of its income and expenditure, assets and liabilities and all other transactions and maintain all financial and other relevant records in accordance with the Sri Lanka Accounting Standards and Sri Lanka Auditing Standards.

(2) The provisions of Article 154 of the Constitution shall *mutatis mutandis* apply in respect of the audit of the accounts of the non-governmental organization.

(3) Every registered non-governmental organization shall prepare an annual report in pursuance of section 9F with audited statements of its accounts for that year and transmit such report to the Director General not later than three months of the year succeeding the financial year.

(4) The Director General shall transmit such report to the Minister who shall cause the same to be tabled in Parliament.

(5) The Secretariat shall maintain and preserve all financial and other relevant records relating to a registered non governmental organization for such period as may be prescribed by regulations.

Returns.

9I. Every non-governmental organization shall-

(a) submit to the Secretariat within two weeks of an annual general meeting, such details relating to the new Board of Management, office bearers and such other details as may be prescribed;

(b) maintain personal records of the staff and the volunteers for a period of six years after such persons have left employment or completes his term as a Volunteer or a member of staff and submit such information to the Secretariat when required to do so; and

(c) such books of accounts and documents as may be prescribed in relation to its activities and submit such documents and other information from time to time, to the Secretariat when required to do so.

Grounds for suspension or cancellation of a non-governmental organization.

9J. (1) The Director General may suspend a non-governmental organization from operating for a period of three months or cancel the registration of such organization on the following grounds:-

- (a) where a non-governmental organization has failed to comply with the terms and conditions of registration;
- (b) where a non-governmental organization has failed to submit its Annual Report referred to in section 9F and any other document prescribed by the Director General;
- (c) where a non-governmental organization has failed to carry out its functions for one year or is engaged in activities contrary to its objectives;
- (d) where a non-governmental organization has failed to renew its registration under section 6A;
- (e) subject to the provisions of section 10 of the principal enactment, where there is evidence of fraud, misappropriation, mismanagement, and misconduct on the part of the non-governmental organization;
- (f) where there is *prima facie* evidence of irregularities linked with any activity prejudicial to national security;
- (g) where a continuation of the work of a non-governmental organization is a threat to the national security of Sri Lanka;
- (h) where the Governor of the Central Bank on the findings of the Financial Intelligence Unit request for the immediate suspension or cancellation of a non-governmental organization;

- (i) where a non-governmental organization has failed to submit a copy of a publication published by such non-governmental organization, which in the opinion of the Director General is prejudicial to the public interest or national security;
- (j) where a non-governmental organization is engaged in activities in contravention of provisions of this Act, or any other written laws of Sri Lanka.

(2) Where the Director General has suspended or cancelled the operations of a non-governmental organization the Director General shall, prior to a suspension or cancellation under subsection (1), notify the office bearers of such organization, in writing of his intention to suspend the organization for a period of three months or cancel the operations of such organization and afford them an opportunity to be heard.

(3) Where a decision has been taken to suspend the registration, the Director General may notify the non-governmental organization to take such corrective measures, within such period specified in the notice for the removal of the suspension of the organization.

(4) Where the non-governmental organization has not taken corrective measures to rectify the grounds upon which the suspension was made within the period of suspension or where no representation was made under subsection (2), the Director General may cancel the operations of such non-governmental organization.

(5) A non-governmental organization aggrieved by the decision of the Director General to

suspend or cancel registration may, appeal to the Secretary within thirty days of the communication of such decision, to such organization.

(6) The Secretary may, on any appeal made to him under subsection (4) and after affording an opportunity to be heard-

(a) allow the appeal and direct the Director General to revoke the suspension or cancellation of the certificate of such non-governmental organization; or

(b) disallow the appeal.

(7) The Director General shall comply with any direction issued to him under subsection (6).

(8) Where the certificate of registration of a non-governmental organization is cancelled the Director General may deregister the non-governmental organization and inform the non-governmental organization accordingly.

Voluntary de-
registration.

9K. (1) The Board of Management or the Country Director of any non-governmental organization may apply to the Director General to voluntarily deregister or to remove the name of the non-governmental organization from the Register of Organizations on the following grounds-

(a) on the completion of its objectives;

(b) due to insufficient funds;

(c) inability to function due to an internal dispute; or

(d) due to any other reason which is acceptable to the Director General.

(2) The application for deregistration shall be by a resolution by a majority of at least two thirds of its members of the non-governmental organization.

(3) Every non-governmental organization shall notify the general public of their intention to voluntarily deregister by a notice published in a daily newspaper which has circulation in Sinhala, Tamil and English languages two weeks prior to such deregistration by such organization.

(4) The Director General may, after due inquiry and upon proof of notification to the public by the relevant organization, cause the organization to be voluntarily de-registered.

(5) For the purpose of this section ,

“The Country Director” includes the person in-charge of the affairs of the Organization.

De-registration
by the
Secretariat.

9L. (1) Where the Secretary is of the opinion that a non-governmental organization operates contrary to the national interest of Sri Lanka, the Secretary shall, in consultation with the Director General, forthwith take steps to deregister such organization.

(2) The Director General shall inform the non-governmental organization of his decision to deregister such organization within three months.

Appeals against
de-registration.

9M. Any non-governmental organization or any person aggrieved by the decision made under 9J and 9L may, within thirty days of such decision appeal to the High Court of the Provinces, established under Article 154P of the Constitution.

Asset
distribution
upon de-
registration.

9N. Upon de-registration of a non-governmental organization, whether voluntarily or otherwise, any asset remaining after liabilities have been met shall be transferred to another organization having similar objects or otherwise as may be determined by the High Court established under Article 154P of the Constitution on an application made by the Director General to vest such movable and immovable assets, including all financial assets in the Secretariat.

Secretariat may
require proof of
existence.

90.(1) Where the Director General has reason to believe that an organization has ceased to exist, he may -

- (a) issue a notice in writing to the office bearers of that non-governmental organization at such registered address stated in the Certificate of Registration issued under section 6 ; or
- (b) publish a notice in a daily newspaper which has circulation in Sinhala, Tamil and English languages,

requiring it to submit its proof of existence to the Secretariat within a period of six weeks, from the date of such notice.

(2) Where the non-governmental organization fails to submit to the Secretariat proof of its existence, the Director General may direct to cancel the certificate of its registration and remove its name from the register."

Insertion of new
sections 14B, 14C
and 14D in the
principal enactment.

17. The following new sections are hereby inserted , immediately after section 14A of the principal enactment and shall have effect as sections 14B, 14C and 14D of that enactment:-.

"The Fund of the Secretariat. 14B. (1) The Secretariat shall maintain a fund to which shall be credited-

- (a) all such sums of money as may be voted, from time to time by Parliament for the use of the Secretariat;
- (b) all such sums of money as may be received, by the Secretariat in the exercise, performance and discharge of the powers, duties and functions of the Secretariat; and
- (c) all such sums of money as may be received by the Secretariat by way of donations, gifts, bequests or grants from any source whatsoever, whether in or outside Sri Lanka:

Provided that prior approval of the Department of External Resources shall be obtained in respect of any such foreign aid, donation, gifts, grant or award so received.

(2) There shall be paid out of the fund of the Secretariat all such sums of money as are required to defray any expenditure incurred by the Secretariat in the exercise, performance and discharge of its powers, functions and duties.

Accounts.

14C. (1) The Secretariat shall cause proper accounts to be kept of its assets and liabilities, income and expenditure, and all other transactions of the Secretariat.

(2) The financial year of the Secretariat shall be the calendar year.

Audit of the Accounts.

14D. The provisions of Article 154 of the Constitution shall apply to the audit of the accounts of the Secretariat."

Amendment of section 15 of the principal enactment.

18. Section 15 of the principal enactment is hereby amended by the repeal of subsection (1) thereof and substitution therefor of the following:-

"(1) (a) The Minister may make regulations in respect of any matter required by this Act to be prescribed and in respect of which regulations are authorised by this Act to be made.

(b) In particular, and without prejudice to the generality of the foregoing the Minister may make regulations prescribing—

(i) all matters necessary for, or connected with or incidental to the exercise of the powers, the performance of functions and the discharge of duties of the Secretariat;

(ii) the manner by which registration, renewal of registration or change of names of non-governmental organizations shall be carried out;

(iii) the particulars and documents required for registration;

(iv) the amount of fees payable for registration and renewal of non-governmental organizations;

(v) the form in which any document required by this Act for applying for registration;

(vi) the certificates to be issued under the Act to—

(A) exempt a non-governmental organization from being registered;

(B) certify that a non-governmental organization has registered with the Secretariat ;

(C) certify that a non-governmental organization has temporarily registered with the Secretariat for the purpose of carrying out activities during a national emergency ;

(vii) the terms and conditions relating to the issuance of certificates;

(viii) the appointment of Authorities under the Act-

(A) to function as a relevant authority for the purpose of section 2A;

(B) to function as an appropriate authority under subsection (5) and (6) of section 4;

(C) for the purpose of issuing temporary operational Certificates of Interim Registration to non-governmental organizations on behalf of the Secretariat to commence operations during a national emergency ;

(ix) the maximum amount of a transaction that may be performed by a non-governmental organization without being reported by a bank to the Secretariat;

(x) the information required under this Act on-

(A) electronic fund transfer performed by a non- governmental organization;

(B) aggregate balance of the financial accounts maintained by a non-governmental organization within a given period ;

(C) any other matter required to be submitted in addition to the annual report ; and

(xi) the records to be preserved by the Secretariat."

Replacement of section 16 of the principal enactment.

19. Section 16 is hereby repealed and the following section substituted therefor:-

"Offences. 16 (1) Any person or body of person who –

- (a) fails to register a non governmental organization;
- (b) knowingly makes any false statement in respect of registration or, in any return or in any information furnished by him;
- (c) fails to furnish any return or information in compliance with any requirement imposed on him under this Act;
- (d) willfully neglects or refuses to do any act or omits any matter in respect of any application for registration;
- (e) resists or obstructs any authorized officer in the exercise by such officer of any power conferred on him under this Act;
- (f) fails to comply with any Order or contravenes any provision of this Act or any regulation made thereunder; or
- (g) continues to operate the activities of the non-governmental organization after deregistration,

shall commit an offence under this Act.

(2) Every person who commits an offence referred to in subsection (1) shall on

conviction after a summary trial before a Magistrate be liable to a fine not exceeding two hundred and fifty thousand rupees or to imprisonment of either description for a period of one year.

(3) Every prosecution under this Act shall be initiated by the Director General or any other authority with the prior written approval of the Director General.”

Insertion of new section 16A in the principal enactment.

20. The following new section is inserted immediately after section 16 of the principal enactment and shall have effect as section 16A of that enactment:-

“Offence by a body of persons.

16A. Where an offence under this Act is committed by a body of persons, then –

(a) if the body of persons is a body corporate every director and officer of such body corporate; and

(b) if the body of persons is an organization with a Board of Management every office bearer of the Board,

shall be deemed to be guilty of that offence:

Provided that, no such director, officer or member shall be deemed to be guilty of that offence if he proves that the offence was committed without his knowledge and that he exercised all due diligence to prevent the commission of such offence.”

Amendment of section 18 of the principal enactment.

21. Section 18 of the principal enactment is hereby amended as follows:-

(a) by the insertion of the following definition of expression immediately after the definition of expression of "community hostel" :-

' "Minister " means, the Minister assigned the implementation of the provisions of this Act;'

(b) by the substitution for the definition of the expression "Voluntary Social Service Organization" ,of the following definition:-

' "Non-Governmental Organization" means, any organization formed by a group of persons natural or legal, being citizens of Sri Lanka or of any other country-

(a) that is non-governmental, non-profit oriented; or

(b) purpose of which is to serve the public specially;

(c) that is engaged in the provision of goods or services to improve the circumstances and prospects of the mentally retarded or physically disabled, the poor, the sick, the orphans and the destitute and the disadvantaged people and to the needy in times of disaster;

(d) that is engaged in policy formulation and propagation;

(e) that is engaged in serving the interest of their individual members;

(f) that is engaged in profit oriented activities that generate profits and which shall not distribute its profits, surpluses, assets, or any form of funds received for

public benefit, among members or employees of the organization other than any reasonable remuneration for and reimbursement of any expenses incurred by Board of Management and employees,

(g) which is dependent on public contributions, charities, grants payable by the Government or donations local or foreign, in carrying out its functions,

and includes any association, council, society, trust, foundation, federation, movement, center, consortium, company or any organization under any other written law or an organization incorporated under Standing Orders of Parliament of Sri Lanka or any other association of persons including, branch organizations of any Voluntary Service Organizations registered by legitimate authority in any other country other than Sri Lanka and that has been established and registered for a charitable purpose or for public benefit, and also includes all international and national level, foreign funded voluntary social services organization and a community hostel and all foreign or local funded guarantee limited companies, private limited companies which receives foreign funds for non-profit oriented activities other than foreign exchange received for business, trade or commerce activities,

but does not include registered Buddhist temples, Christian and Catholic churches, Hindu temples, mosques and other places of worship, banks, public quoted companies, school development societies, Alumni Associations, trade unions, political parties and any such organizations."

(c) by the insertion of the following definitions of expression immediately after the definition of expression of "Non-Governmental Organization" :-

“person” includes any body of persons corporate and unincorporated;

“prescribed” means prescribed by regulations under this Act;

“Secretary” means the Secretary to the Ministry of the Minister to whom the implementation of the provision of this Act is assigned.'

Transitional
Provisions.

22. Notwithstanding anything to the contrary in this Act or any other written law:-

(a) the Secretariat for Non-governmental Organizations functioning on the day immediately preceding the date of commencement of this Act shall, with effect from the date of commencement of this Act, deemed to be the Secretariat established under section 1A(1) of this Act;

(b) the person holding the office of Director General of the Secretariat for Non-governmental Organizations on the day immediately preceding the date of commencement of this Act, shall with effect from the date of commencement of this Act, be deemed to be the Director General appointed under section 2 of this Act and shall continue in office accordingly;

(c) all activities hitherto carried out by the Secretariat for Non-governmental Organizations referred to in paragraph (a) on the day immediately preceding the date of commencement of this Act shall be deemed to be activities required to be carried out under the Act, and shall continue to be carried out by the Secretariat under this Act;

(d) the officers and employees of the Secretariat for Non-governmental Organizations functioning as such on the day preceding the date of commencement of this Act, shall be deemed to be the officers and employees of

the Secretariat established under section 1A (1) of this Act on terms not less favourable than their terms of employment in the Secretariat for Non-governmental Organizations and shall continue in office accordingly;

(e) all contracts and agreements entered into by, or with the Secretariat for Non-governmental Organizations referred to in paragraph (a), and all debts and liabilities of it subsisting on the day immediately preceding the date of commencement of this Act, shall be deemed with effect from the date of commencement of this Act, to be the contracts and agreements entered into by, or with the Secretariat established under section 1A (1) of this Act or debts and liabilities of the Secretariat, as the case may be, and shall be enforced accordingly;

(f) all property movable and immovable vested with the Secretariat for Non-governmental Organizations referred to in paragraph(a), and subsisting on the day immediately preceding the date of commencement of this Act shall be transferred for all purposes to the Secretariat established under section 1A (1)with effect from the date of commencement of this Act;

(g) all legal proceedings which have been instituted in any Court or tribunal by or against the Secretariat for Non-governmental Organizations, and pending before such court or tribunal on the day immediately preceding the date of commencement of this Act, shall be deemed with effect from the date of commencement of this Act to have been instituted by or against the Secretariat, and may be continued accordingly.

(h) all rules, guidelines and regulations made by the Secretariat for Non-governmental Organizations referred to in paragraph (a), and in force on the day immediately preceding the date of commencement of this Act, and which are not inconsistent with the provisions of this Act, shall be deemed to be rules,

guidelines and regulations made under this Act and may accordingly be amended, added to and rescinded by regulations or rules, as the case may be, made under this Act;” .

Sinhala Text to prevail in case of inconsistency.

23. In the event of any inconsistency between the Sinhala and Tamil text of this Act, the Sinhala text shall prevail.

24.01.2018