



PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA

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NATIONAL HEALTH DEVELOPMENT  
FUND

ACT, No. 13 OF 1981

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[Certified on 5th March, 1981]

*Printed on the Orders of the Government*

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Act, No. 13 of 1981*

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L.D.—O. 44/80

AN ACT TO PROVIDE FOR THE ESTABLISHMENT OF A FUND CALLED THE “NATIONAL HEALTH DEVELOPMENT FUND” AND TO PROVIDE FOR ALL MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

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

1. This Act may be cited as the National Health Development Fund Act, No. 13 of 1981.

Short title.

2. (1) There shall be established a Fund to be called the “National Health Development Fund” (hereinafter referred to as “the Fund”).

Establishment of the National Health Development Fund.

(2) The Fund shall, by the name assigned to it by subsection (1), be a body corporate, and shall have perpetual succession and a common seal and may sue and be sued in such name.

3. (1) The administration, management and control of the Fund shall be vested in a Board of Trustees constituted as hereinafter provided.

Board of Trustees of the Fund.

(2) The Board of Trustees of the Fund (hereinafter referred to as “the Board”) shall consist of—

- (a) the Secretary of the Ministry of the Minister ;
- (b) the Director of Health Services of the Department of Health ;
- (c) the Commissioner of Ayurveda of the Department of Ayurveda ;
- (d) the Chief Accountant of the Ministry of the Minister ; and
- (e) three other members appointed by the Minister each of whom shall, subject to the provisions of subsections (4), (5) and (6), hold office for such period as may be specified in the letter of appointment issued to him, by the Minister.

A member appointed by the Minister is in this Act referred to as an “appointed member”.

(3) The Secretary of the Ministry of the Minister shall be the Chairman of the Board (hereinafter referred to as “the Chairman”).

(4) The Minister may, if he thinks it expedient to do so, remove any appointed member of the Board from office without assigning any reason therefor.

(5) A member of the Board, who has been removed from office under the provisions of subsection (4), shall not be eligible for re-appointment as a member of the Board or to serve the Board in any other capacity.

(6) An appointed member of the Board may at any time resign his office by written communication addressed to the Minister.

(7) If the Chairman or any member of the Board is temporarily unable to discharge the duties of his office on account of ill-health or absence from Sri Lanka or any other cause, the Minister may appoint another person to act in his place.

(8) If an appointed member of the Board vacates his office by death, resignation or removal, prior to the expiration of his term of office, his successor shall, unless such successor vacates his office earlier, hold office for the unexpired portion of the term of office of the person whom he succeeds.

(9) No act or proceeding of the Board shall be deemed to be invalid by reason only of the existence of any vacancy amongst its members or any defect in the appointment of a member thereof.

(10) The Board may make rules to regulate the procedure in regard to its meetings and the transaction of business at such meetings.

Remuneration  
of appointed  
members of  
the Board.

4. An appointed member of the Board shall be remunerated in such manner and at such rates as may be determined by the Minister.

Powers of  
the Fund.

5. The Board shall, in the name of the Fund, have the power to—

- (a) acquire, hold or manage property, whether movable or immovable ;
- (b) sell, mortgage, exchange or otherwise dispose of, or deal with, any property, whether movable or immovable, to which the Fund may become entitled ;
- (c) perform all such acts or things as may be necessary to give effect to the provisions of this Act.

6. There shall be credited to the account of the Fund all moneys received by way of gift or donation, from private individuals, firms and institutions in Sri Lanka and abroad, for any of the purposes set out in section 7.

Payments to the Fund.

7. It shall be the duty of the Board, subject to the directions of the Minister, to apply the moneys belonging to the Fund for any of the following purposes:—

Purposes for which the moneys of the Fund may be applied.

- (a) the development and promotion of institutions providing health-care services in Sri Lanka ;
- (b) the promotion of research among, and the advancement of the education or knowledge of, persons engaged in or associated with the health-care services of Sri Lanka ;
- (c) to finance any project for the purpose of taking necessary steps for, the prevention of disease among, or protection of the health of, the people of Sri Lanka, ensuring so however that where any donation is received for the purpose of financing a particular project, such donation is, as far as practicable, utilized to finance that particular project ;
- (d) the purchase of medical equipment and essential drugs used for the purposes of health-care services in Sri Lanka.

8. Any moneys belonging to the Fund may be invested by the Board in such manner as the Board may determine, subject to such directions as may be given by the Minister.

Investment of moneys of the Fund.

9. The Board shall have the power, subject to the directions of the Minister—

Officers and servants of the Fund.

- (a) to appoint such officers and servants of the Fund as may be necessary for the administration and management of the affairs of the Fund ;
- (b) to determine the remuneration payable to the officers and servants so appointed ;
- (c) to pay such remuneration and other expenses incurred in the administration of the affairs of the Fund, out of the income of the Fund.

10. (1) The Board shall cause proper books of accounts to be kept of the income and expenditure of the Fund.

Accounts and audit.

(2) The Auditor-General shall audit the accounts of the Fund every year. For the purpose of assisting him in the audit of such accounts, the Auditor-General may employ the services of any qualified auditor who shall act under his direction and control.

(3) For the purpose of meeting the expenses incurred by him in the audit of the accounts of the Fund, the Auditor-General shall be paid out of the income of the Fund, such remuneration as the Board may determine. Any remuneration received from the Fund by the Auditor-General shall, after the deduction therefrom of any sums paid by him to any qualified auditor or auditors employed by him for the purpose of such audit, be credited to the Consolidated Fund.

(4) The Auditor-General shall, as soon as practicable after the thirty-first day of December of each year, prepare a report on the administration of the affairs of the Fund during that year, together with a statement of the income and expenditure of the Fund, and of the investment of the moneys belonging to the Fund, during that year.

(5) In this section, the expression "qualified auditor" means—

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

Auditor-General's report and statement to be placed before Parliament.

11. The Auditor-General shall transmit the report and statement prepared by him in pursuance of the provisions of subsection (4) of section 10 to the Minister who shall cause such report and statement to be placed before Parliament.

Financial year.

12. The financial year for the purpose of the Fund shall be the year commencing on the first day of January and ending on the thirty-first day of December.

13. (1) The Minister may with the concurrence of the Minister in charge of the subject of Finance, exempt the Fund from the payment of any customs duty on any goods imported by the Fund, if the import of such goods is considered to be conducive for the advancement of the purposes of the Fund.

Exemption of Fund from certain dues and taxes.

(2) The Fund shall be exempt from any income tax or wealth tax payable under the Inland Revenue Act, No. 28 of 1979.

(3) Where any person makes a gift to the Fund, he shall be exempt from the payment of gifts tax under the Inland Revenue Act, No. 28 of 1979, to the extent of the total value of the gift.

(4) Where any person makes a donation to the Fund, such donation shall be deemed to be an approved expenditure for the purposes of the Inland Revenue Act, No. 28 of 1979, and the donor shall be entitled to relief under that Act in respect of the total value of such donation.

(5) The provisions of this section shall have effect notwithstanding anything to the contrary in the Inland Revenue Act, No. 28 of 1979.

14. All officers and servants of the Fund shall be deemed to be public servants within the meaning, and for the purposes, of the Penal Code.

Officers and servants of the Fund deemed to be public servants within the meaning of the Penal Code.

15. The Fund shall be deemed to be a scheduled institution within the meaning of the Bribery Act and the provisions of that Act shall accordingly apply.

Fund to be a scheduled institution within the meaning of the Bribery Act.

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