

**DRAFT**

**LIVESTOCK ENTREPRENEURS EMPOWERMENT ACT**

Prepared and submitted to the Secretary to the State Ministry of Livestock, Farm Promotion and Dairy and Egg related Industries, pursuant to his letter No: SML/07/01/Legal/84 dated 2021.10.04, by

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Trincomalee.

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## **DRAFT LIVESTOCK ENTREPRENEURS EMPOWERMENT ACT**

**AN ACT TO PROVIDE FOR THE ECONOMIC AND SOCIAL EMPOWERMENT OF LIVESTOCK ENTREPRENEURS; FOR INCORPORATION, REGULATION AND WINDING UP OF SOCIETIES OF LIVESTOCK ENTREPRENEURS AND THEIR DISTRICT, PROVINCIAL AND SRI LANKA NATIONAL FEDERATIONS AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.**

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

1. This Act may be cited as the Livestock Entrepreneurs empowerment Act No:..... of 2021 and shall come into force on such date as the Minister may by Order published in the *Gazette*.

### **PART – I ADMINISTRATION**

2. (1) The Secretary to the Ministry of the Minister (hereinafter referred to as the “Secretary”) shall be responsible for the general administration and carrying out the objectives and purposes of this Act.

(2) Any power, duty or function of the Secretary under this Act may be exercised, performed or discharged by any Additional Secretary, Senior Assistant Secretary or a Director of the Ministry of the Minister under the direction of the Secretary or by such other Officers of that ministry authorized by the Secretary in writing.

(3) It shall be the duty of the Secretary to ensure that in the administration of the provisions of this Act, the Chief Secretary of the Provincial Council of every Province is consulted on matters relating to that Province.

3. (1) The Minister shall, from time to time, by Order published in the *Gazette* nominate an Officer of his Ministry, belonging to Sri Lanka Animal Production and Health Service, not below the rank of a Grade I Officer of that Service to be the National Coordinator for Livestock Entrepreneurs Empowerment (hereinafter referred to as the “National Coordinator”).

(2) The National Coordinator

(a) shall –

(i) unless earlier resigned or removed, hold Office for a period of three years from the date of his nomination and cease to be the National Coordinator at the expiration of the said period of three years, but shall be eligible for re-nomination; and

(ii) in the exercise, performance, and discharge of the powers, duties and functions be under the direction and control of the Secretary; and

(b) may at any time be removed by the Minister without assigning any reason, but eligible for re-nomination.

(3) The National Coordinator shall –

(a) supervise, monitor and coordinate the works of registered societies and federations established in the island under this Act;

(b) monitor and report to the Secretary the progress of the implementation of this Act and any regulations made thereunder;

(c) arrange workshops, seminar, and conferences periodically to review the status of livestock industry;

(d) collect, collate, and provide a comprehensive market information for livestock industry; and

(e) carry out such other activities as may be assigned to him by the Secretary.

4. (1) The Provincial Director of Animal Production and Health of a Province (hereinafter referred to as the “Provincial Director”) shall, in addition to any other powers, duties or functions vested in or conferred on him under this Act -

(a) Promote and encourage or cause to be promoted and encouraged the formation and organization of Primary Societies within the province;

(b) Supervise, monitor, and coordinate the work of the Primary Societies, District Federations and Provincial Federations established within that Province;

(c) Keep or cause to be kept under constant monitoring, study and review of the status of Livestock enterprises in the province;

(d) Collect, compile, manage, periodically review, and update statistics and data relating to the livestock enterprises in or in relation to that Province;

(2) In the exercise, performance or discharge of his powers, duties or functions under this Act, the Provincial Director shall be under the direction and control of, and comply with or give effect to, any such direction as may be issued to him by, the Secretary.

(3) The Provincial Director may exercise, perform or discharge of his powers, duties, and functions under this Act either directly or through Officers subordinate to him.

(4) it shall be the duty of every Officer and Servants in the Provincial Public Service of a Province subordinate to the Provincial Director, -

(a) to assist the Provincial Director of that Province in the exercise, performance or discharge of his powers, duties, or functions under this Act; and

(b) to exercise, perform and discharge such other powers, duties and functions as may be assigned to him by the Provincial Director.

(5) The Minister may from time to time by Order published in the *Gazette* provide for the payment in such cases and circumstances as may be specified in that Order, of such remuneration, and traveling and other allowances to the Provincial Director and such other Officers and Servants in the Provincial Public Service of a Province for their exercise, performance or discharge of their powers, duties and functions under or connected with the administration of this Act or any regulations made thereunder.

## **PART – II**

### **REGISTRATION OF LIVESTOCK ENTREPRENEURS:**

5. (1) Every Person who, on the appointed date is a livestock entrepreneur within the meaning of this Act, shall within a period of three months from the appointed date and every person who becomes a livestock entrepreneur after the appointed date, shall, within a period three months from the date of his becoming as a livestock entrepreneur, register himself with the Provincial Director of Animal Production and Health of the province within which permanent residence of that person is situated, in accordance with the regulations relating to the registration of livestock entrepreneur in force for the time being.

(2) The Provincial Director of a Province shall –

(a) Maintain or cause to be maintained in the prescribed form a register of name, address and such other information of the livestock entrepreneurs registered under subsection (1);

- (b) strike off or caused to be strike off such register the names and address of all persons who shall have ceased to be a livestock entrepreneur;
- (c) keep such register open for inspection and examination , making copies thereof or taking extract therefrom, by the Secretary, or any other officer authorized by them; and
- (d) issue or cause to be issued to every registered livestock entrepreneur , an Identity card in the prescribed form.

(3) Separate Register shall be maintained in respect of each class of livestock entrepreneurs.

- 6. (1) Every Person who is a livestock entrepreneur shall, maintain, manage and operate his enterprises having regard to the extent, type of operation and the situation and natural resources of that premises, in accordance with the standards of good management practices as are provided by regulation made under this Act with a view to improving the productivity and maintaining efficient standards of production both as to quantity and quality of produce, to protect the health of human, to protect the health and welfare of animals, to promote environmental protection, and to prevent, abate and minimize nuisances.
- 7. (2) An Authorized Officer may at all the reasonable times enter into or upon any livestock enterprises for the purpose of inspecting and observing the manner in which livestock enterprises is operated, maintained or managed.
- 8. (3) Where the Provincial Director, on a report of an Authorized Officer or otherwise that livestock enterprises is not maintained in accordance with the standards of management of livestock enterprises laid down by or under this Act or any regulation made thereunder, the Provincial Director may by a notice in writing give to the owner or the person who has the possession, care or control of that livestock enterprises such directions as are necessary to ensure that the livestock enterprise is maintained and managed in accordance with the standards laid down by this Act or any regulation made thereunder.

## **PART – II**

### **PROTECTION AND EMPOWERMENT OF LIVESTOCK ENTREPRENEUR**

9. (1) Regulations may be made providing for a system and framework on business agreements that protects and empowers livestock entrepreneurs to engage with agri-business firms, processors, wholesalers, exporters and large-scale retailers for inputs and support services required for production of produces and sale of produces at mutually agreed remunerative price framework in a fair and transparent manner.

(2) For the purposes of subsection (1) –

(a) “Business agreement” means written agreement entered into between a livestock entrepreneur and a sponsor or a livestock entrepreneur, sponsor and any third party, prior to the production of a produce in a pre-determined quantity and/or quality in which the sponsor agrees to purchase such produce from the livestock entrepreneur and/or provide business services;

(b) “Business services” means supply of livestock, veterinary and other related services, technology, machinery or equipment, pasture or fodder, animal feed, veterinary drugs and veterinary biological products etc.

(c) “Sponsor” means a person who has entered into a business agreement with the livestock entrepreneur to purchase a produce.

## **PART – II**

### **PRIMARY SOCIETIES**

10. (1) There may be established for any Divisional Secretary’s Division or any part thereof, a Society of any class of Livestock Entrepreneurs (hereinafter referred to as “Society”) for the purpose of –

- (a) promoting and encouraging the development of that class of livestock enterprise within his area of authority, the delivery of inputs and support services required for such livestock entrepreneurs and the marketing of produce of such entrepreneurs;
  - (b) securing a reasonable and stable market and remunerative prices for the produce of its members;
  - (c) promoting thrift and saving among its members;
  - (d) promoting social, cultural and economic welfare of its members
  - (e) giving relief to members in times of sickness or distress or disasters and aiding them when pecuniary difficulties and making provision for their widows and orphans;
  - (f) promoting and encouraging collective efforts among its members in the development of that class of enterprises and marketing the produces of its members;
  - (g) rendering assistance to the Provincial Director in collecting and compiling relevant data and statistics necessary for the efficient management of matters relating to that class of enterprises;
  - (h) Promoting cooperation between and coordination of the Government Organizations and the Livestock Entrepreneurs of the area;
- (2) No Person shall be qualified to be or become a Member of the Society of a class of a livestock entrepreneur unless he -
- (a) is a citizen of Sri Lanka;
  - (b) has been registered as a Livestock entrepreneur of that Class of Livestock Entrepreneurs under this Act;
  - (c) is not less than sixteen years of age; and



(d) is agreeing to abide by the by-laws of that

11. (1) The Minister may make by-laws for the administration and management of a Society and its business and affairs. Such by-laws shall contain provisions with respect to -

- (a) The admission and removal of members;
- (b) The mode of holding general meetings of members and their right of voting;
- (c) The procedure to be observed for the summoning and holding of meetings of the Members and their right at those meetings, the time, place, agenda of such meeting, the quorum for therefor and the conduct of business thereat;
- (d) The election of office bearers, the resignation from, vacation of or removal from, the office of the office bearers, and their powers, duties, functions and conduct;
- (e) The election , term of office, removal or resignation and filling of vacancies of the members of the Executive Committee of a Society, the powers, duties functions and conduct of the executive committee;
- (f) The procedure to be observed for summoning and holding meetings of the executive committee, the times, places, notices and agendas of those meetings, the procedure for transaction of business at, and quorum of such meetings, the quorum for a meeting of the executive committee the recovery of Membership fees, the convening of the general meeting of members and the procedure to be followed in such meetings;
- (g) The administration and management of the properties of the society;
- (h) the manner in which accounts of a Society shall be maintained and the persons responsible for maintaining such accounts;
- (i) the manner in which disputes between the Society and any of its members or any person claiming through a Member or under the rules shall be settled;
- (j) the manner as to how the powers conferred on a Society may be exercised.

(4) The By-laws made under subsection (3) shall be published in the *Gazette*.

12. (1) The Competent Authority may, upon an application made in that behalf by a group of not less than fifteen persons who is qualified to be or to become a Member of a Society of a class of Livestock Entrepreneurs under subsection (1), register such group of persons as a Primary Societies of such Class of livestock entrepreneurs and assign a name to such Society if he is satisfied that –

(a) the application has been made in the prescribed form and manner and accompanied by such information and documents as may be prescribed;

(b) the information furnished in such application are true and accurate; and

(c) the group of persons has declared in the prescribed manner to have adopted and agreed to abide by the by-laws of the Society made under subsection 1. (3) of this Act,

(2) Upon registration of a Society under subsection (1), the Competent Authority shall –

(a) Assign a Registration Number to every such Society and issue a Certificate of Registration in the prescribed form; and

(b) Publish the registration of that Society in the *Gazette*.

13. (1) Every Society registered under this Act shall hereinafter be called as “a Registered Society”.

(2) Every Registered Society shall –

(a) Be a body corporate with perpetual succession and with a common seal and may sue or be sued in the name under which it is registered;

- (b) Notwithstanding anything to the contrary in any other written law, be deemed and construed to be a Non-Governmental Organization for all purposes;
- (c) Have a registered Office to which all communications, and notices may be addressed and send to the Competent Authority notice of the situation of such Office and every change therein;
- (d) Keep at its registered office the following accounts, documents, and records, namely –
  - (i) A copy of this Act and the regulations made thereunder;
  - (ii) A Copy of its adopted by-laws;
  - (iii) The minutes book;
  - (iv) Accounts of all sums of money received and expended by the Society and their respective purposes and the supporting documents thereto;
  - (v) Accounts of all purchases and sales of goods;
  - (vi) Accounts of all assets and liabilities of the society;
  - (vii) Copies of the audit reports of the society and if any, any compliance reports thereon; and
  - (viii) All such other accounts , records and documents as may be prescribed;
- (e) Keep at its registered Office, a register of mortgages and other charges and enter therein all mortgages and charges affecting the property of the Society and such other particulars of the mortgages or other charges as may be specified in the by-laws of that Society;
- (f) Keep the register referred to in paragraph (e) open during its business hours open for inspection by any member or creditor of the Society without payment of any fee but subject to such reasonable restrictions as may be imposed by the Society;
- (g) Deliver a copy of its by-laws to each member of the society at the time of admission;

- (h) Supply to every member a copy of the balance sheet or a statement of accounts together with the auditor's report at or at least seven days immediately before, its annual general meeting;
- (i) Within a period of six months from the date of its registration, hold a general meeting of the Members of the Society and thereafter hold once at least every year an Annual General meeting of the Members of the Society;
- (j) When directed by the Competent Authority, hold special general meeting the members of the Society
- (k) Once at least every year, submit its accounts for audit by a public auditor appointed by the Competent Authority, who shall have access to all the books and accounts of the Society, and shall examine the general statement of the receipts and expenditure, funds and effects, of the Society and verify the same with accounts and vouchers relating thereto and shall either sign the same as found by him to be correct, duly vouched and in accordance with the law or specially report to the Society in what respects he finds it incorrect, unvouched or not in accordance with the law;
- (l) once in every year before the 1<sup>st</sup> day of June submit to the Competent Authority a general statement (to be called Annual Return) in such form and contain or accompanied by such information as may be prescribed; and
- (m) allow any Member of the Society or any Officer or person authorized by the Competent Authority to inspect books, registers, and other documents of the Society at all the reasonable hours at the registered Office of the Society;

14. (1) For carrying out the purposes for which it is established, a Registered Society shall have and may exercise, powers

- (a) To acquire, hold, take, or give on lease, or hire, mortgage, pledge, sell or other dispose of any movable or immovable property;
- (b) To borrow from any approved lending institution such sum or sums as may be necessary for or conducive or incidental to any of its functions;
- (c) To enter into, perform or carry out all such contracts and agreements as may be necessary for the attainment of the objectives and purposes of the society;
- (d) To provide integral services and facilities such as storage, transportation, preservation, processing, and marketing of the produce of its members;
- (e) To accept deposits from its members and to utilize the deposits to grant loan to its members;
- (f) To cooperate with any non-Governmental organizations and other Donor Agencies;
- (g) To solicit, receive and collect grants, assistances, gifts, or donations in cash or in kind;
- (h) To Impose or recover fees and charged for the services provided by that Society;
- (i) To recover from its Members, an Annual Membership Fees;
- (j) To establish and maintain animal care centers for the purposes and within the meaning of the Animals Act No: 29 of 1958;
- (k) To engage in income generating activities to raise necessary funds to the society with a view to accomplishing its objectives and purposes;

- (l) To engage in or carry-on microfinance business in accordance with the provisions of the Microfinance Act No: 06 of 2016;
- (m) To invest its funds not immediately required for the purpose of the society in such manner as the society may think fit, with the approval of registrar;
- (n) To Promote, finance or sponsor or engage in livestock industry-based trading, commercial or industrial activities;
- (o) To Act as an agent of any commercial or trading organizations engaged in the supply or provision of inputs or support services required by its members or marketing of their produces;
- (p) To submit proposals or view to the Government on the Government Policies to that class of livestock enterprises; and
- (q) To bring to the notice of the Government or the provincial council of the issues affecting its members in their business;
- (r) To engage in any other activities approved by the Minister as beneficial to its members.

(2) A Registered Society shall, when requested by the Competent Authority –

- (a) Collect such information and data relating to livestock entrepreneurs in their area as may be necessary for the management of the development of that class of livestock enterprises;
- (b) Arrange for and organize meetings of livestock Entrepreneurs and other people to educate them on Good Management Practices for their enterprises; and encourage them to adopt good livestock management practices set out by or under this Act;

(c) Promote and encourage its members to operate their enterprises in accordance with the good management practices prescribed for such enterprises;

(d) Execute such works as may be assigned to it by the Competent Authority;

(3) Every Registered Society shall be entitled to such to receive remuneration of such sum as may be determined by the Minister, with the concurrence of the Minister of the Cabinet of Minister in charge of the subject of Finance, for executing the request of the Competent Authority under subsection (2)

15. (1) The Funds of a registered Society shall be deposited in a prescribed bank and may be utilized for

(a) carrying out its objectives and purposes or for the exercise, performance and discharge of its powers, duties and functions under this Act or any other written law; or

(b) the fees and other charges for public auditors and valuers for auditing the accounts of that Registered Society.

(c) provision of financial assistance at the request of the Competent Authority for the training of its members and other Livestock Entrepreneurs with a view to promoting and developing that class of livestock enterprises;

(2) The Provincial Director or any other person authorized by him in that behalf shall have the right to audit and examine the accounts of a registered Society.

16. (1) The Administration and management of the affairs of a Registered Society shall vest in the Executive Committee of that Society and shall be carried out in accordance with the provisions of this Act and the regulations made thereunder and the rules of the Society and the Competent Authority may from time-to-time issue to that Executive Committee such directions as may be necessary.

(2) No Person shall be qualified to be or become a Member of the executive committee of a Registered Society if –

- (a) He is not a Member of that Registered Society;
- (b) Is of unsound mind and stands so declared by a Competent Court;
- (c) An applicant to be adjudicated as an insolvent or is undischarged insolvent;
- (d) Disqualified to be a member of the executive committee by a Court.

(2) The Competent Authority or any Officer authorized by him in that behalf shall be invited to, and shall have the right to attend to, speak at or otherwise take part in the proceedings of the Executive Committee of a registered Society, but shall not be eligible for voting thereat.

(3) When the Executive Committee of a Registered Society fails to convene its general meeting, the Competent Authority shall convene and where necessary preside over such meeting.

(4) Where on a complaint of a Member of a Registered Society or otherwise that the Executive Committee of that Registered Society has failed to comply with or give effect to a direction issued to it under this Act or to carry out its powers, duties and functions under this Act or any regulation made thereunder, the Competent Authority, after giving that executive committee an opportunity to show cause against it within such period not exceeding one month, if satisfied that the executive committee has failed or omitted and such failure or omission affects the general interests of its members or affect the attainment of the objectives of the Act, may by Order published in the *Gazette* –

- (a) Dissolve that executive Committee; and
- (b) Appoint an interim executive committee consisting of not more than three public officers to exercise, perform and discharge the powers, duties and functions of that



Executive Committee under this Act or the rules of the Society, until a new Executive Committee is established.

17. (1) A Registered Society may, by resolution passed by not less than three fourth (  $\frac{3}{4}$  ) of the whole numbers of members of the Society (including those not present), determine and request the Competent Authority that its registration be cancelled with effect from such date as may be specified in that request thereupon the Competent Authority shall cancel the registration of that Society with effect from such date as may be specified in that request.

(2) Subject to the provisions of subsection (1) The Competent Authority may cancel the registration of a registered Society if he is satisfied that –

(a) The number of Members of that Society becomes less than seven;

(b) The Society is not functioning for a period exceeding one year from the date of its registration;

(c) The Society has been persistently refusing to comply with or give effect to any direction or instruction issued by the Competent Authority under this Act; or

(d) the Society has acted contrary to its objectives or has failed to act for the welfare of its members.

(2) Notification of such cancellation shall be published in the *Gazette* and in a Sinhala, Tamil and English newspaper circulating in that area.

(3) Upon the cancellation of the registration of a registered Society, the Competent Authority shall appoint one or more liquidators to wind up the affairs of that Society.

(4) The Liquidator or liquidators appointed to wind up the affairs of a Society under subsection (3) may -

- (a) Take possession of the Books, documents, and assets of the Society;
  - (b) Decide any question relating to priority among the creditors of the Society;
  - (c) Sell the property of Society;
  - (d) Compound any claims by or against the Society with the proper approval of the Competent Authority; or
  - (e) Arrange for the distribution of the Society in the prescribed manner.
- (5) In the liquidation of the Society, its funds shall be applied first to settle the cost of liquidating and then to discharge of its liabilities. Any surplus remaining after the closure of the liquidation shall be disposed of in the prescribed manner.

**PART – III**  
**DISTRICT FEDERATIONS, PROVINCIAL FEDERATIONS AND SRI LANKA**  
**NATIONAL FEDERATIONS**

18. (1) The Minister may, after consultation with the Chief Minister of the Province within which a District is situated, and by Order published in the *Gazette* –

(a) establish a District Federation of Livestock Entrepreneurs of such class of livestock entrepreneurs of that district as may specified in that Order (hereinafter referred to as a “District Federation”).

(b) assign a name to that District Federation;

(2) The District Federation of a Class of livestock Entrepreneurs of a District shall consist of such number of representatives in respect of each Society of Livestock Entrepreneurs of that class established within that District under this Act as may be specified in the Order referred to in subsection (1) and elected by that Society;

(3) Such Public Officers representing such Government Departments, State Institutions, Public Corporations, and Institutions of the Provincial Council involving in Livestock Industry in that District as may be approved by the Minister by Order published in the *Gazette* shall be invited to and have the right to attend to and speak at the general meetings of that Federation, but not eligible for voting at such meetings

19. (1) The Functions of a District Federation shall be –

(a) To provide for a forum for the representatives of livestock Entrepreneurs of that class of the district issues relating to the development of the class of livestock enterprises in that District;

(b) To assist in the review of the livestock activities in the district and assist in the carrying out the policies of the Government and the Provincial Council, relating to that class of livestock enterprises within that District

(c) To advise the Government and the Provincial Council on –

(i) measures to be taken for the promotion and development of the class of livestock enterprise in that district; and

(ii) effectiveness of measures taken for the promotion and development of the class of livestock enterprise;

(d) To submit proposals or view to the Government on the Government Policies relating to that livestock enterprise;

(2) For the performance of duties and discharging its functions under this Act, the District Federation shall have the power –

- (a) To acquire, hold, take, or give on lease, or hire, mortgage, pledge, sell or other dispose of any movable or immovable property;
- (b) To Impose or recover fees and charged for the services provided by that Association;
- (c) To recover from its Members, an Annual Membership Fees; and
- (d) To obtain, receive and accept donations and other financial assistance and any other assistance in kind from any State, Provincial Councils, Public Corporations and Non-Governmental Organizations;

20. (1) Every District Federation established under Section shall -

- (a) be a body corporate with perpetual succession with a common seal and may sue or be sued in its name;
- (b) notwithstanding anything to the contrary in any other written law, be deemed and construed as a Non-Governmental Organization for all purposes.
- (c) Have a registered Office to which all communications, and notices may be addressed and send to the Competent Authority notice of the situation of such Office and every change therein;
- (d) Within a period of six months from the date of its registration, hold a general meeting of the Members of the Society and thereafter hold once at least every year an Annual General meeting of the Members of the Society;
- (e) When directed by the Competent Authority, hold special general meeting the members of the Society

- (f) Once at least every year, submit its accounts for audit by a qualified auditor appointed by the Competent Authority, who shall have access to all the books and accounts of the District Federation and shall examine the general statement of the receipts and expenditure, funds and effects, of the District Federation, Provincial Federation or the Sri Lanka National Federation and verify the same with accounts and vouchers relating thereto and shall either sign the same as found by him to be correct, duly vouched and in accordance with the law or specially report to the District Federation, in what respects he finds it incorrect, unvouched or not in accordance with the law;
- (g) once in every year before the 1<sup>st</sup> day of June submit to the Competent Authority a general statement (to be called Annual Return) in such form and contain or accompanied by such information as may be prescribed; and
- (h) allow any Member of the District Federation, or any Officer or person authorized by the Competent Authority to inspect books, registers, and other documents of the District Federation, at all the reasonable hours at the registered Office of the District Federation;

(2) When a District Federation, fails to convene a general meeting as provided in subsection (1)(d) or (e), the Competent Authority shall convene and where necessary preside over such meeting.

21. (1) The administration and management of the Affairs of the District Federation shall vest in the Executive Committee of that Federation and shall be carried out in accordance with the provisions of this Act and the regulations made thereunder and the Competent Authority may, from time to time, issue such direction as may be necessary for that purpose.

(2) The Secretary shall nominate a Public Officer to be the Coordinating Secretary of the District Federation who shall be invited to, and have the right to attend to, speak at and take part in the proceedings of the meetings of the Executive Committee of that Federation but shall not be eligible to vote at any such meeting.

(3) Where on a complaint of a Member of a District Federation or otherwise that the Executive Committee of that District Federation has failed to comply with or give effect to a direction issued to it under this Act or to carry out its powers, duties and functions under this Act or any regulation made thereunder, the Competent Authority, after giving that executive committee an opportunity to show cause against it within such period not exceeding one month, if satisfied that the executive committee has failed or omitted and such failure or omission affects the general interests of its members or affect the attainment of the objectives of the Ministry, may by Order published in the *Gazette* –

(a) Dissolve that executive Committee; and

(b) Appoint an interim executive committee consisting of not more than three public officers to exercise, perform and discharge the powers, duties and functions of that Executive Committee under this Act or any regulations made thereunder, until a new Executive Committee is re-established.

22. (1) The Funds of a District Federation shall be deposited in a prescribed bank and may be utilized for carrying out its objectives and purposes or for the exercise, performance and discharge of its powers, duties and functions under this Act or any other written law.

(2) The Competent Authority or any other person authorized by him in that behalf shall have the right to audit and examine the accounts of a District Federation, .

23. (1) The Competent Authority may, with the approval of the Minister dissolve a District Federation if he is satisfied that –

(a) The district federation is not functioning for a period exceeding one year from the date of its establishment; or

- (b) The District Federation has been persistently refusing or failing to exercise, perform or discharge its powers, duties, or functions under this Act or to comply with or give effect to any direction or instruction issued by the Competent Authority under this Act and such refusal or failure affect the general interest of the public
- (c) Not less than one half of the whole number of Members of that Federation makes an application to the Competent Authority stating that the District Federation has acted contrary to its objectives or has failed to act for the welfare of its members.

(2) Notification of such shall be published in the *Gazette* and in a Sinhala, Tamil and English newspaper circulating in that area.

(3) Upon the dissolution of a District Federation –

(a) The Members of the District Federation holding office at the time of such dissolution, shall cease to hold office; and

(b) The Competent Authority shall –

(i) With the approval of the Minister, appoint an interim governing body consisting of not more than Seven persons who is qualified to be elected to that Federation to exercise, perform and discharge the powers, duties and functions of the District Federation and its executive committee until a new district federation is constituted in accordance with the provisions of this Act and the regulations made thereunder; and

(ii) Take measures to constitute a new district federation in accordance with the provisions of this Act and the regulations made thereunder.

24. (1) The Minister may, in consultation with the Chief Minister of a Province and by Order published in the *Gazette* –

(a) establish a Provincial Federation of Livestock Entrepreneurs of such class of livestock entrepreneurs as may specified in that Order for that Province (hereinafter referred to as a “Provincial Federation”) for the purposes of carrying out the following functions, namely –

- (i) to review of the Policies on the Provincial Council on the promotion and development of that class of livestock entrepreneurs and assist in the implementation of such policies;
- (ii) to submit proposals and views to the Provincial Council regarding the Provincial Council Policies, Programmes and Projects on the promotion and development of that class of livestock entrepreneurs; and
- (iii) to assist and facilitate in and promote the marketing of farm produce of that class of livestock entrepreneurs; and
- (iv) to provide guidance and assistance to the Primary Societies, the District Federations, and the Provincial Federations of that class of livestock entrepreneurs for their efficient functioning

(b) assign a name to that Provincial Federation;

(2) The Provincial Federation of a Class of livestock Entrepreneurs of a Province shall consist of such number of representatives in respect of each District Federation of Livestock Entrepreneurs of that class of Livestock entrepreneurs established in the District under this Act, as may be specified by the Minister with the concurrence of the Chief Minister of that Province and elected by that District Federation;



(3) Such Public Officers representing such Provincial Council Departments, State Institutions, Public Corporations, and Institutions of the Provincial Council involving in Livestock Industry as may be approved by the Minister by Order published in the *Gazette* with the concurrence of the Chief Minister of that Province shall be invited to and have the right to attend to and speak at the general meetings of that Federation, but not eligible for voting at such meetings.

(4) The Provisions of Sections relating to a District Federation shall *mutatis mutandis* apply to a Provincial Federation

25. (1) The Minister may, by Order published in the *Gazette* –

(a) establish a Sri Lanka National Federation of such class of livestock entrepreneurs as may specified in that Order (hereinafter referred to as a “Sri Lanka National Federation”) for the purposes of carrying out the following functions, namely –

- (i) to review of the Policies on the Government on the promotion and development of that class of livestock entrepreneurs and assist in the implementation of such policies;
- (ii) to submit proposals and views to the Government regarding the Government Policies on the promotion and development of that class of livestock enterprises; and
- (iii) to assist and facilitate in the marketing of produce of the livestock Entrepreneurs of that class of livestock entrepreneurs; and
- (iv) to provide guidance and assistance to the Primary Societies, the District Federations, and the Provincial Federations of that class of livestock entrepreneurs for their efficient functioning

(b) assign a name to such Sri Lanka National Federation;

(2) The Sri Lanka National Federation of Livestock Entrepreneurs of a Class of livestock Entrepreneurs of a District shall consist of three representatives in respect of each District Federation of Livestock Entrepreneurs of that class of Livestock entrepreneurs established in the Island under this Act, elected by that District Federation;

(3) Such Public Officers representing such Government Departments, State Institutions, Public Corporations, and Institutions of the Provincial Council involving in Livestock Industry as may be approved by the Minister by Order published in the *Gazette* shall be invited to and have the right to attend to and speak at the general meetings of that Federation, but not eligible for voting at such meetings

(4) The Provisions of Sections relating to a District Federation shall *mutatis mutandis* apply to a Sri Lanka National Federation

#### **PART - IV**

#### **STATUS, RESTRICTIONS, SUPERVISION, INQUIRIES AND AUDIT OF REGISTERED SOCIETIES, DISTRICT FEDERATIONS, PROVINCIAL FEDERATIONS, AND SRI LANKA NATIONAL FEDERATIONS**

26. No act or proceeding of a registered society, a district federation, a provincial federation or a Sri Lanka national federation or any executive committee or officer or servant thereof shall be deemed to be invalid merely on the ground –

- (a) Of any vacancy or defect in the organization of the society or of the executive committee;
- (b) Of any defect or irregularity in the election or appointment of a member of the executive committee or an officer of the society;
- (c) Of any defect or irregularity in such act or proceeding not affecting the merits of the case.

27. (1) Every Registered Society, District Federation, Provincial Federation and Sri Lanka National Federation shall be

(a) Exempt from –

- (i) Any stamp duty chargeable under any written law in respect of any instrument executed by or on behalf of or in favour of such Society or federation or in respect of any document filed in a Court by such society or federation in cases where, but for the exemption granted by this section, it would have been liable to pay the duty chargeable in respect of such instrument or document;
- (ii) Any fees payable under any law for the time being in force relating to the registration of documents; and
- (iii) the payment of any tax on the income or profits made by such Society or Federation as the case may be under the provisions of the Inland Revenue Act No: 28 of 1979; and

(b) A Scheduled Institution within the meaning of the Bribery Act and the provisions of that Act shall be construed accordingly.

(2) All Officers and Servants of a Registered Society, District Federation, Provincial Federation and Sri Lanka National Federation shall be deemed to be public servants for the purposes and within the meaning of the Penal Code.

(3) Every Office bearer and servant of a Registered Society, District Federation, Provincial Federation and Sri Lanka National Federation shall be entitled to receive remuneration of such sum not exceeding the amount prescribed for their services.

28. (1) For a purpose related to verifying compliance or preventing non-compliance by a registered society or a federation with any provisions of this Act or any regulation made thereunder or the by-laws of that registered society, the Competent Authority or any Officer authorized by him in writing –

(a) Shall, at all reasonable hours, have and be given right and free and full access –

- (i) to the books, accounts, documents, securities, cash and other properties belonging to or in the possession or custody of that society or federation; and
- (ii) to computerized data (including ) whether stored in a computer or any other devices or otherwise and shall be provided with necessary password, encryption code, decryption code,

(a) may, -

- (i) At any reasonable time enter and inspect any premises or stop or detain any vehicle or conveyance in which he believes on reasonable grounds there is any article in respect of which this Act or any regulations made thereunder apply;
- (ii) Open any receptacle, baggage, package, cage or other that the Inspector believes on reasonable grounds contain any article in respect of which this Act or any regulation made thereunder apply;
- (iii) Require any person to present any article for inspection in such manner and under such condition as he considers necessary to carry out such inspection;
- (iv) Examine or cause to be examined any article in respect of which Act, or any regulation made thereunder or take samples of it or cause samples of it to be taken;
- (v) Require any person to produce for inspection or copying in whole or in part any record or document that he believes on reasonable grounds to contains any information relevant to the administration of this Act and the regulation made thereunder;
- (vi) Conduct or cause to be conducted any test or analysis

(2) In carrying out an inspection at any place under this Section, Inspector may –

- (a) Use or cause to be used any data processing system at the place to examine any data contained in or available to the System;
- (b) Reproduce any record or cause it to be reproduced from the data in the form of a print-out or other intelligible output and take print-out or other output for examination or copying;
- (c) Use or cause to be used any copying equipment at the place to make copies of any record or other document;

29. (1) The Competent Authority may, if it appears to him that any registered society or federation is carrying on or is causing or permitting to be carried on, any unlawful activity within any premises under the control of that society or federation, or shall, upon a request in writing of the majority of the members of the executive committee of, or of not less than one-third of the whole number of members of, a registered society or a federation, hold or direct some suitably qualified person authorized by him (hereinafter referred to as an “inquirer”) to hold an inquiry in the prescribed manner, an inquiry into matters stated in that request or into the constitution, working or financial condition of that registered society or federation.

(2) For the purpose of performing his duties and discharge of his functions under this Act or any regulation made thereunder, the inquirer shall –

- (a) May exercise, perform and discharge of the powers, duties and functions of an Inspector under this Act;
- (b) May summon any possession or responsible for the custody of any books, accounts, documents, securities, cash, or other properties belonging to or in the possession of that registered society or federation, to produce the same at such place and time as he may specify; or
- (c) May summon any person who, he has reason to believe, has knowledge of any affairs of the society or federation to appear before him at such place as may be specified by him and may examine such person on Oath.

30. (3) (a) The Competent Authority or the Inquirer may, notwithstanding anything contained in this Act or any regulation made thereunder or the by-laws of that society, require the executive committee of that society or federation, to call a general meeting of the society or federation at such time and place to determine such matters as may be directed by him.

(b) Where an executive committee refuses or fails to comply with or give effect to the requirement of the competent authority or inquirer under clause (a) of this subsection, the Competent Authority or the Inquirer may call it himself.

(c) Any meeting called under the clause (a) or (b) shall have all the powers of a general meeting of that society or federation under this Act or any regulation made thereunder or by laws of that registered society.

(4) The Report of an inquiry made under this Section shall be communicated by the Competent Authority to the Minister, to the Secretary and to the society or federation concerned.

31. (1) Where the Competent Authority is on his own inspection and observation or on the report of an Inspector or otherwise, satisfied that a registered society or a federation is not maintained and managed in accordance with the provisions of this Act or any regulations made thereunder, the Competent Authority, may by a notice in writing give to the owner or operator of such establishment or the pasture grower as the case may be, such directions as are necessary to ensure that the registered society or the federation as the case may be, is maintained or managed in accordance with the standards laid down by or under this Act or any regulation made thereunder.

(2) It shall be the duty of every person to whom a direction is issued under subsection (1) shall comply with and give effect to such direction.

#### **PART – IV**

#### **OFFENCES AND PUNISHMENTS**

32. (1) Any person who is required to be registered under Section of this Act and fails to get himself registered within the stipulated period shall commits an offence under this Act and shall be punished with a fine of two thousand rupees and in the case of continuing failure with fine which may extend to one hundred rupees for every day during which the failure continues.

(2) Any registered society or federation which contravenes or makes default in complying with any of the requirements of this Act or any regulations made thereunder or willfully makes false return or furnishes false information, or willfully or without reasonable excuse disobeys any summons, requisition or other lawful order or direction issued under this Act or

willfully withholds or fails to furnish any information required by the competent authority, inspector or an inquirer shall be guilty of an offence under this Act and shall be punishable with such fine and in case of continuing contravention or default with such fine for every day during which the contravention or default continues, as shall be determined by the Minister by Order published in the *Gazette* and approved by Parliament by resolution and until so determined and approved

(3) Any person who willfully makes or causes or permits to be made any entry or erasure in or omission from any register, account, balance sheet, or any other document required by this Act or any regulation made thereunder to be maintained by a registered society or a federation shall be guilty of an offence and shall be punishable with such fine as shall be determined by the Minister by Order published in the *Gazette* and approved by Parliament by resolution and until so determined and approved, a fine which may extend to ten thousand rupees.

(4) Any person who fails to comply with or give effect to any direction or disobeys any summon or order issued to him under this Act or any regulation made thereunder shall be guilty of an offence and shall be punishable with such fine as shall be determined by the Minister by Order published in the *Gazette* and approved by Parliament by resolution and until so determined and approved, a fine which may extend to ten ..... rupees.

(5) Any person who –

- (a) Who obstructs, hinders, impedes or misleads an authorized officer, inspector or inquirer or any other person assisting the authorized officer, inspector or inquirer in the exercise, performance or discharge of his powers, duties or functions under this Act;
- (b) Without permission of authorized officer, inspector or inquirer, removes from the lawful custody of an authorized officer, inspector or inquirer or such other person authorized by him, any books, records, documents or other article seized and detained under this Act; or

(c) Conceals or orders or allows to conceal any books, records, documents or other article with a view to avoiding inspection, examination or seizure by the Competent Authority, an authorized officer, inspector or inquirer under this Act;

(d) Assist or assist any person to do any acts referred in (a), (b) or (c) above

Shall be guilty of an Offence under this Act and shall on conviction at a summary trial before the Magistrate be liable to fine not less than one hundred thousand rupees and not exceeding two hundred and fifty thousand rupees or to imprisonment for a term not exceeding two year or to both such fine and imprisonment.

33. Any Offence committed under this Act shall be summarily triable by the Magistrate Court having jurisdiction over the place at which that offence committed.

#### **PART - IV**

#### **GENERAL**

34. (1) All documents filed by registered societies and federations with the competent authority under this Act shall be accessible information for the purposes and within the meaning of the Right to Information Act No: 12 of 2016.

(2) Every instrument or document, copy or extract of an instrument or document bearing the signature of the Competent authority shall be received in evidence without further proof and every document purporting to be signed by the competent authority or any authorized officer, inspector, public auditor or a valuer under this Act shall, in the absence of any evidence to the contrary, be received in evidence without proof of the signature

35. The Minister with the concurrence of the Minister of the Cabinet of Ministers in charge of the subject of Finance may, from time to time appoint public auditors and valuers for the purposes of this Act and may determine from time to time by Order published in the *Gazette* to be paid by registered societies and federations for the services of such auditors and valuers.



36. (1) The Minister may make regulations for the achievement of objectives of the Department or giving effect to the principles or purposes of this Act or in respect of matters required by this Act to be prescribed or in respect of which regulations are authorized to be made.

- (a) Procedure for the exercise, performance and discharge of the powers, duties and functions by the Provincial Directors, Competent Authorities, Inspectors, and Inquirers under this Act;
- (b) The mode and way application for the registration of primary societies under this Act may be made;
- (c) The fee payable for the registration of Primary Societies under this Act;
- (d) The forms and notices to be used under or for the purposes of this Act;
- (e) The way notices under this Act may be served; and
- (f) Setting out the manner of election of the Executive Committee of a District Federation, a Provincial Federation or a Sri Lanka National Federation, the terms of office of the Members thereof, the procedure for transaction of business of meetings of a District Federation, a Provincial Federation or a Sri Lanka National Federation, removal or resignation of Members of the Executive Committee, the staff of a District Federation, a Provincial Federation or a Sri Lanka National Federation, filling of vacancies, the quorum for a meeting of a District Federation, a Provincial Federation or a Sri Lanka National Federation, the enrolling of members of a District Federation, a Provincial Federation or a Sri Lanka National Federation, the recovery of Membership fees, the convening of the general meeting of members and the procedure to be followed in such meetings;

(g) In respect of the way the accounts of a District Federation, a Provincial Federation or a Sri Lanka National Federation shall be maintained and the persons responsible for maintaining such accounts; and

(h) Prescribing the manner in which the powers conferred on a District Federation, a Provincial Federation or a Sri Lanka National Federation may be exercised;

(2). Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of publication or on such later date as may be specified in the regulation.

(3) Every regulation made by the Minister shall, as soon as convenient after its publication in the *Gazette* be brought before the Parliament for approval.

(4) Any regulation which is not so approved shall be deemed to be rescinded as from the date of disapproval but without prejudice to anything previously done thereunder.

(5) The date on which any regulations shall be deemed to be rescinded shall be published in the *Gazette*.

37. No Suit, prosecution or other legal proceeding shall be instituted against any person for any act which in good faith is done by him under this Act or any regulation made thereunder.

38. In this Act unless the context otherwise requires –

(1) “**Class of Livestock Entrepreneurs**” include –

- (a) Dairy Farmer;
- (b) Poultry Farmers;
- (c) Goat and Sheep Farmers;
- (d) Dairy Processors;

- (e) Poultry Processors;
- (f) Meat Processors;
- (g) Pasture Growers; and
- (h) Such other class of livestock entrepreneurs as may be prescribed.

(2) “**Competent Authority**” shall –

- (a) In relation to a Society, District Federation or a Provincial Federation of a Province be the Provincial Director of that Province; and
- (b) In relation to a Sri Lanka National Federation, be an Officer nominated by the Secretary from among the staff of his ministry.

(3) “**Livestock Enterprises**” means a business undertaking or concern involving livestock or livestock product and may be classified into –

- (a) Dairy farming;
- (b) Poultry Farming;
- (c) Goat and Sheep Farming;
- (d) Growing of Pasture and fodder;
- (e) Growing of Plants to produce Grains, cereals and other crop products exclusively for the production or formulation of animal feed.
- (f) Dairy Processing;
- (g) Poultry Processing;
- (h) Meat processing;
- (i) Animal Feed Production
- (j) Such other class of livestock enterprise as may be prescribed.

(4) “**Livestock entrepreneur**” means any person who is carrying on or engaging in a livestock enterprise;

- (5) “Produce ” means any kind of movable property (other than actionable claims and money) derived from or as result of the operation of, his livestock enterprise.
- (6) “Provincial Director” in relation to a province means the Person who is a veterinary surgeon and holding office as the Provincial Director of Animal Production and Health of that Province, according to the minutes of the Sri Lanka Animal Production and Health Service published in the *Gazette* Extraordinary No: