Annual Performance Report

2024

Department of the Law Commission

Expenditure Head No -235

Annual Performance Report for the year 2024

Department of the Law Commission

Expenditure Head No -235

Contents

Chapter 01- Institutional Profile/Executive Summary

1.1 Introduction

The Law Commission of Sri Lanka was established under the Law Commission Act No. 03 of 1969, and it is the main government institution which recommends legal reforms. The Department of Law Commission is constituted to extend administrative and research support.

1.2 Vision, Mission, Objectives of the Institution

Vision

To promote reform of the Law for good governance

Mission

Implementation of the functions prescribed in the Law Commission Act No 03 of 1969 for the promotion of the reform of the Law.

Objective

The main object of the Law Commission is to promote the reform of the law.

1.3 Key Functions

i. The codification of Law.
ii. The elimination of anomalies.
iii. To take and keep under review the law both substantive and procedural with a view to its systematic development and reform.
iv. The repeal of obsolete and unnecessary enactments.
v. The simplification and modernization of the law.
vi. To receive and consider any proposals for the reform of the law.
vii. To prepare and submit to the Minister, from time to time, programmes for the examination of different branches of the law with a view to reform.
viii. To obtain such information as to the legal systems of other countries.

ix. To keep under constant review the exercise by bodies, other than parliament, of the power to legislate by subsidiary legislation with a view to ensure that they conform to well establish principles and to the rule of law.

x. To formulate programmes for rationalizing and simplifying legal procedures including procedures of an administrative character connected with litigation.

xi. To formulate programmes for the codification of the law in Sinhala, Tamil and English.

Law Commission members in year 2024

I. Mr.Ikram Mohomed, P.C.(Chairman)
II. Mr. S. Anil Silva, P.C.
III. Mr. Palitha Fernando, P.C
IV. Mr. Aritha Wickremanayake
V. Mr. Palitha Kumarasinghe, P.C
VI. Mr. Chanaka De Silva, P.C
VII. Dr. Harsha Cabral, P.C
VIII. Mr. Manohara De Silva, P.C
IX. Mr. Sanjeewa Jayawardane, P.C
X. Ms. Priyanthi Pieris
XI. Mr. Samantha Ratwatte, P.C
XII. Mr. Nirmalan Wigneswaran (Deputy Solicitor General, Attorney General's Department)
XIII. Pro. (Ms.) Naazima Kamardeen
XIV. Mr. Niran Anketell

Ex-Officio Members:

I. Mr Parinda Ranasinghe, P.C, Honorable Attorney General, Attorney General's Department
II. Mrs Dilrukshi Samarasekera, Legal Draftsman, Department of Legal Draftsman
III. Mrs.Piyumanthi Peiris, Additional Secretary(Legal) /Ministry of Justice

Department Staff:

- Ms. Sewwandi Abeysekera, Secretary /Department of Law Commission
- Ms. Lilanthi Pathinagoda, Assistant Secretary / Department of Law Commission
- Ms.Yasanji Chathurangika, Assistant Secretary / Department of Law Commission

Progress of the recommendations of Law Commission from 01.01.2024 to 31.12.2024

01: Insolvency Law Reforms

The Cabinet Memorandum on Insolvency Law Reforms No: 2023/Cab Memo/J/L/60 dated 07th June 2023 mentioned that and effective insolvency law is essential to improve domestic economy and attract international investors.

The Cabinet Memorandum has identified several gaps and lapses in the existing Insolvency Ordinance 1853 and provisions for corporate insolvency being in the Companies Act No.07 of 2007.

Therefore the Cabinet of Ministers proposed and approved that a unified insolvency law should be developed which incorporates recognized global "best practices" tools.

The Cabinet of Ministers mandated the Law Commission to draft the required legislation to address the above issues with relevant stakeholders and to submit a proposal.

Present Status and Progress:

Date Started: 26.06.2023

The Law Commission appointed a Subcommittee on Insolvency Law Reforms

Mr.Parinda Ranasighe P.C – Hon. Attorney General
Mr.Chanaka de Silva P.C – Chairperson
Dr.Harsha Cabral P.C
Mr.Nirmalan Wignesharan – Deputy Solicitor General
Mr.Niran Ankatell – Attorney at Law
Ms.Shehara Weerakoon from the Legal Draftsman's Department

Mr. Chanaka De Silva P.C. and Ms. Shehara Weerakoon of the Legal Draftsman's Department informed the Commission that the final draft of the proposed Insolvency Law Reforms is in the process of translation to Sinhala and Tamil at the Legal Draftsman's Department and once the translation completed it can be forwarded to the Cabinet at the Law Commission meeting held on 30.05.2024. The Ministry of Justice forwarded the suggested amendments by the World Bank Team to the observation of the Head of the subcommittee of Insolvency Law Reforms of the Law Commission Mr. Chanaka De Silva P.C. On behalf of the Law Commission Mr. Chanaka De Silva

P.C. informed the Ministry of Justice on the approval of the Law Commission for the final draft of the Bill incorporating the suggested amendments of the World Bank Team on 02nd August 2024 .The Ministry of Justice informed the Legal Draftsman's Department to incorporate the suggested amendments and forward the Bill to the Attorney General for the Certificate of Constitutionality.

Ms. Shehara Weerakoon of the Legal Draftsman's Department informed the Law Commission at the meeting held on 20.08.2024 that the translation process to Sinhala and Tamil is completed and the final draft has been sent to the Cabinet for the approval.

The Legal Division of the Ministry of Justice informed the Secretary of the Department of Law Commission that the finalized Bill of Insolvency Law Reforms has been approved by the Cabinet 26.08.2024. (Cabinet Paper No: 24/1714/614/039 –I)

Ms. Shehara Weerakoon of the Legal Draftsman's Department informed the Commission that the Legal Draftsman's Department has requested from the Ministry of Justice to obtain the approval from the new cabinet at the Law Commission meeting held on 23.10.2024.

The IMF representatives held a meeting with Law Commission members on the Progress of the Insolvency Law Bill on 19.10.2024. The IMF members inquired about the enactment procedure of the proposed bill and Dr.Cabral explained that the bill has to be presented to the new Parliament for approval. Also he emphasized the training requirements of the judicial officers, officers in the regulatory authority (Registrar of Companies), bankers and legal practitioners. The IMF Representatives visited the Department of Law Commission on 19th November 2024 and held a meeting with the members of the Law Commission on the Progress and future actions to be taken on the proposed Insolvency Law Reforms.

Finalized Reports: 01
Number of Stakeholder Meetings: 05
Number of Law Commission Meetings discussed the progress of the Reforms: 08

Contents

Chapter 4

Institutional arrangement: Miscellaneous.

26. Inducing appointment of administrator or liquidator.

27. Prohibitory orders.

28. Appeals.

29. Inspection of work when inspection not authorized.

30. Relationship statement.

31. Statement of pre-administrative expenses.

Part II.

Personal insolvency: Policies.

32. Obligations of debtors under personal insolvency procedures.

33. Statement of debtor finance activities.

34. Secured property.

35. Provident fund, employee’s trust funds, pensions and contributions and claims thereunder, statutory gratuity and claims.

36. Securing a fair income.

37. Credit entered and waived.

Part III.

Debt protection and deferral order.

38. Debt protection request.

39. Criteria for order of deferral of debt protection.

40. Effect of provision for deferral of debt protection.

41. Duration of deferral of debt protection.

42. Obligation of the debtor during the period of deferment of debt protection.

43. Debtor’s objection to deferral of debt protection.

Part IV.

Debt restructuring programme.

Part V.

Debt rehabilitation orders.

68. Criteria for making a Debt rehabilitation orders.

69. Official receiver’s recommendation: Debt rehabilitation orders.

70. Determination by Court of application for Debt rehabilitation order.

71. Effect of Debt rehabilitation order.

72. Duration of Debt rehabilitation order.

73. Exemption of debt.

74. Debt rehabilitation order to be supervised by official receiver.

75. Creditor’s objection to Debt rehabilitation order.

76. Termination of Debt rehabilitation order.

77. Transfer of bankruptcy orders.

78. Official receiver may make a request for a term of retention.

79. Exemption / extension of debt restructuring scheme.

80. Authorized mediators.

Part VI.

Bankruptcy.

Chapter 1- Bankruptcy petitions and insolvency orders.

81. Application of debtor for obtaining order of bankruptcy.

82. Debtor must be domiciled in Sri Lanka.

83. Criteria for order of bankruptcy on petition of debtor.

84. Making order of bankruptcy on petition of debtor.

85. Petition for order of bankruptcy.

86. Petition in bankruptcy: Conditions of debtor.

87. Petition in bankruptcy: Withdrawal, power of Court to hold or cancel.

88. Grounds of creditor’s petition.

89. Notice of bankruptcy and inability of paying.

90. Decision of Court on petition for bankruptcy order.

Chapter 6 – Debtor’s role in bankruptcy.

Chapter 7 – Debtor’s role in bankruptcy.

Chapter 8 – Effect of bankruptcy in certain transactions.

135. Duties of fiscal during bankruptcy.

Chapter 9 – Distribution of property.

136. Distribution of property in bankruptcy.

Chapter 10 – Termination of bankruptcy.

137. Duration of bankruptcy.

138. Exemption.

139. Exemption in high value bankruptcies.

140. Application to challenge exemption.

141. Temporary suspending the exemption.

142. Application to challenge discharge: Record of bankruptcy.

143. Decision by Court on application to challenge exemption.

144. Restoration of discharge from bankruptcy.

145. Revocation of bankruptcy order.

146. Request for arrangement of debt restructuring during bankruptcy.

Chapter 11- Official receiver.

147. Powers of official receiver in respect of debtor's proceedings during bankruptcy.

148. Moderation procedure of official receiver in insolvency.

Chapter 12 – Partnerships during bankruptcy.

149. Bankruptcy application and bankruptcy petitions in case of partnerships.

150. Powers to dismiss petitions against certain respondents.

151. Property of the shareholders shall be vested in the same trustee.

152. Proceedings by the trustee in bankruptcy and by the shareholders of a debtor in bankruptcy.

153. Actions on joint contracts.

154. Conducting litigation in the name of partnership.

Part VII – Personal insolvency register.

155. Power to maintain personal insolvency register.

198. Court proceedings should not be commenced or continued during administration.

199. Execution or other proceedings should not be commenced during administration.

200. Benefits of other proceedings not to upturn unless terminated prior to administration.

201. Role of fiscal during administration.

202. Powers to be exercised before administration.

203. Application made during decision period for permission to execute permanent securities.

204. Consent or permission not required for issue of notices.

205. Effect of administration on directors and other agents of company.

206. Provision for furnishing information to administrator.

207. Effect of administration on employees.

208. Effect of administration in respect of property.

209. Effect of administration on share transfer.

210. Essential services of administration.

Chapter 5 –Methods of administration.

a – Provisions relating to ordinary and expedited methods.

211. Provisions relating to ordinary and expedited methods.

b – General methods.

212. Inaugural meeting.

213. Meeting to give results.

214. Activities of the results meeting.

c – Acceleration methods.

215. Consolidated opening and results meeting.

216. Deed review inspection.

d- Matters that apply to both.

217. Committee of creditors in administration.

218. Meetings of shareholders creditors and committee on administration.

Chapter 3 – Appointment of liquidator or provisional liquidator.

Chapter 4 –Effect of liquidation.

Chapter 5 – Powers of liquidator.

329. Powers of liquidator.

330. Request by liquidator to give support.

331. Notice by liquidator that acceptance or appointment of an appointee shall cease.

332. Documents should be signed by the liquidator.

333. Powers of liquidator to act in respect of property subject to lien.

334. Declaration of non-ownership of respectable property.

335. Terms for electing whether or not to declare non-entitlement.

336. Where this Chapter (Chapter on powers of liquidator) applies in the proceedings of a provisional liquidator.

Chapter 6 – Duties of liquidator.

a – General.

337. Liquidator not required to act in certain cases.

338. Duty of liquidator to inquire into affairs of company.

b – Contributors.

339. Payment of settlement for list of contributors.

340. Alteration of list of contributors.

341. Modification of rights of contributors.

342. Credit of former shareholders.

343. Execution of liability of contributors.

c – Appropriating the company's property.

344. Professional claims.

d – Tasks for reporting.

345. Duty of liquidator to report wrong-doings.

346. Duty of liquidator to report defaults committed.

347. Duty of liquidator to prepare accounts.

348. Duty of liquidator to send final report and associated documents.

Chapter 5 – Receiver's remuneration.

389. Receiver's remuneration.

Chapter 6 – Reporting by receiver.

390. First report submitted by receiver.

391. Further reports submitted by receiver.

392. Extension of time for preparation of reports.

393. Persons entitled to inspect and obtain reports.

394. Duty of receiver to report defects committed.

Chapter 7 – Liabilities of receiver.

395. Indemnification of receiver.

396. Obligation of assignee under pre-existing contract of employment.

397. Obligation of receiver on contract of other expenditure and rent.

398. Exemption from liability in case of defect.

Chapter 8 – Incumbency and termination of office of receiver.

399. Vacancy of office of receiver.

400. Termination of receivership.

401. Duty of receiver to give notice of termination of the receivership.

Chapter 9 –Powers of Court in receivership.

402. Request seeking orders from receiver.

403. Orders relating to remuneration or appointment of receiver.

404. Custody of receivership may be limited by Court.

405. Order for performance of duties of receiver.

406. Removal of receiver by Court.

407. Orders for the protection of property held by receivership.

Part XIV –Transboundary insolvency.

408. Overseas companies.

Eighth schedule.

Alterations of secured creditor.

Ninth schedule.

Powers of liquidator.

Tenth schedule.

Powers of receiver.

02. Amending the Provision of Civil Aspects of International Child Abduction Act No.10 of 2001.

Date Started: 2024.01.18

The Commission appointed the following members to the subcommittee to consider the amendments necessary to the said Act.

1. Mr. Parinda Ranasinghe, P.C – Hon. Attorney General
2. Mr. Nirmalan Wigneswaran - Deputy Solicitor General
3. Mr. Niran Ankatell - Attorney at Law

Present Status and Progress:

Mr. Parinda Ranasinghe, P.C brought to the notice of the Commission that undue delay takes place in the implementation of the Civil Aspects of International Child Abduction Act, contrary to its objects. .The treaty to which government of Sri Lanka is a party requires the minor children who are brought to this country be returned to their habitual residence within a period of six weeks and it was also brought to the notice that our law provides, though not in express terms that such matters should be deposed of expeditiously. Mr. Parinda Ranasinghe, P.C also brought to the notice of the commission that although the Act does not provide for an appeal, the dissatisfied parties invoke the revision to the Court of Appeal and there after a special leave to appeal to the Supreme Court thereafter and hence conclusion of matters filed under the said act do take a prolonged time and due to this delay , if the minor child reaches the age of 16 years, the provisions of the law then cease to apply and the object of the law is frustrated.

This also causes embarrassment to the State with regard to the request made by other countries to return of minor children to the jurisdiction from whose jurisdiction they have been unlawfully removed.

Therefore, Mr. Parinda Ranasinghe, P.C suggested the Commission to look into these aspects with a view to recommend appropriate amendments to the said law, with a view to achieve its objects and to prevent the attempts to delay the proceedings under the said law and to frustrate its objects.

The report on Amendments to the Civil Aspects of the International Child Abduction Act No. 10 of 2001 prepared and forwarded to the previous Law Commission on 31st of August 2020 by Mr. Nirmalan Wigneswaran was tabled and discussed. The Sub-Committee agreed to develop the draft and resubmit the same by incorporating the suggestions discussed at the Law Commission meeting held on 29.08.2024.

The supplementary report on the Civil Aspects of the International Child Abduction Act No. 10 of 2001 prepared Mr. Nirmalan Wigneswaran was tabled and discussed at the Law Commission meeting held on 23.10.2024. Mr. Nirmalan Wigneswaran explained the commission that the proposed amendments deal with the followings.

a) Limiting oral testimony to exceptional circumstances
b) Day to day hearing if cross examination is ordered
c) Security for costs of overseas witnesses
d) Direct appeal to Supreme Court with leave.

Mr.Nirmalan Wigneshwaran explained at the Law Commission meeting held on 23.10.2024, that Section 15 of the present Act should be amended to give effect to the above (a),(b) and (c). Also to provide for above (d) a new section 23 (a) should be introduced. Mr.Chanaka de Silva P.C. expressed some views on cross examination procedure. Further, Mr. Niran Ankatell explained that the concept of “Best Interest of the Child” is considered in removal proceedings as a practice of the modern international courts. Mr. Ankatell informed the Commission that he will forwarded a research paper on the above at the next Law Commission.

Number of Research Papers Discussed: 03 (A copy of that report was not included because it contains an extensive analysis of court decisions and consists of a considerable number of pages.**)**

Number of Law Commission meetings discussed the progress of the reforms: 08

SUPPLEMENTARY REPORT TO THE LAW COMMISSION ON AMENDMENTS TO THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION ACT, NO. 10 OF 2001

BACKGROUND

1. By Report dated 31 August 2020, the Law Commission was apprised of the following:
   (a) There was no necessity for any amendment to the Civil Aspects of International Child Abduction Act, No. 10 of 2001 ("the Act") on the grounds of any perceived inconsistency with the principle of the best interests of the child.

   (b) However, several amendments were needed to ensure a speedy resolution of child abduction cases pending before Sri Lankan courts.

2. On 29 August 2024, the Law Commission discussed the matter further and discussed several amendments in this regard. The present supplementary report seeks to consolidate the amendments discussed at the said meeting.

PROPOSED AMENDMENTS

3. As stated at the outset, there can be no argument that protracted litigation in child abduction cases are clearly not in the best interests of the child. In the circumstances, there can be no serious objection to the following amendments which are all based on minimizing the time taken in child abduction cases and streamlining the process.

4. The proposed amendments deal with the following:

   (a) Limiting oral testimony to exceptional circumstances;
   (b) Day-to-day hearing if cross-examination is ordered;
   (c) Security for costs of overseas witnesses
   (d) Direct appeal to the Supreme Court with leave.

Oral testimony to be limited to exceptional circumstances; day-to-day hearing and security for costs of overseas witnesses

5. One of the principal reasons for the delay in proceedings in the High Court is the long time taken to cross-examine witnesses. For a matter of this nature, cross-examination should be permitted only in exceptional circumstances. In the circumstances, the following amendments are proposed by way of addition to Section 15 of the Child Abduction Act:

(3) All evidence shall be tendered by way of affidavit, unless the High Court is of the opinion that exceptional circumstances exist that warrant cross-examination.

(4) In the event the High Court is of the view that cross-examination is warranted under subsection (3) such proceedings shall be carried out on a day-to-day basis, unless the High Court is of the view that such day-to-day proceedings are not possible.

(5) The reasons for the decisions under subsections (3) and (4) shall be recorded in writing by the High Court.

(6) Subsection (3) shall not preclude the High Court from obtaining oral testimony from the child concerned, if deemed necessary by the High Court.

(7) Where the High Court has determined that cross-examination of any witness is necessary and any witness not resident in Sri Lanka is required to be present for such cross-examination, the High Court shall order that the party requesting such cross-examination provides adequate security to cover the costs of the witness so required to be present for cross-examination and specify a date by which such security shall be provided. In the event such security is not provided on or before the date so ordered, the party requesting cross-examination shall be deemed to have waived the right to cross-examine that witness. The Court shall in its judgment decide the amount of compensation payable to any such witness from the security so deposited.

Inclusion of Section 23A to provide for a direct appeal to the Supreme Court

6. There is no necessity for a matter of this nature to have multiple layers of appeal or revision. In view of arriving at a final decision expeditiously in the interests of the child concerned and the narrow ambit of the Child Abduction Act, it is proposed that a direct appeal be given to the Supreme Court. Accordingly, the following text is proposed as Section 23A of the Child Abduction Act:

   (1) Any person who is dissatisfied with any judgement pronounced by the High Court may, within three weeks of such judgment, prefer an appeal to the Supreme Court against such judgement, in respect of any error in fact or in law, with the leave of the Supreme Court first had and obtained.
   (2) Except as provided in subsection (1), no appeal or revision shall lie against any order or judgement made by the High Court under this Act.

7. As will be noted by the Commission, subsection (2) refers to both "orders" and "judgments", with a view to precluding frivolous appeals from orders.

Nirmalan

Wigneswaran

23 October 2024

Convention on the Civil Aspects of International Child Abduction, No. 11 of 2001

Section 11 (1) of Act 10 of 2001 provides the Court with the discretion to refuse to return a child to his/her country of habitual residence in the following situations:

> *(a) the person, institution or other body having the care of the person of the child was not exercising such rights of custody at the time of removal or retention, as the case may be, or had consented to, or subsequently acquiesced in, such removal of retention, as the case may be ; or*
>
> *(b) there is grave risk that the child's return would expose the child to physical or psychological harm of otherwise place the child in an intolerable situation*

Best interests of the child and the Hague Convention

Proponents of strict adherence to the Convention insist that the compromise reached between States during the drafting of the Convention reflects the best interests of the child, as all children have a right not to be taken away from their place of habitual residence without a court of law in such jurisdiction determining whether such removal is in fact in their best interests. They cite the need for deterrence, and that a summary return of the child without extensive litigation would better achieve this. They also argue that the jurisdiction with habitual residence is best positioned to make a judgment on the best interest of the child.

Despite this, however, there are serious concerns regarding the absence of specific reference to the best interests of the child as a reason not to return a child. This is particularly the case since Sri Lanka is under a legally binding international obligation to ensure that the best interests of the child shall be a primary consideration in all actions concerning children, whether in courts or otherwise.

Article 3(1) of the Convention on the Rights of the Child reads: *"[i]n all actions concerning children, whether undertaken by public or private social welfare institutions, courts of law, administrative authorities or legislative bodies, the best interests of the child shall be a **primary** consideration*." (emphasis added)

Further, Parliament has now determined that the best interest standard would apply to all matters concerning children. Section 5 (2(of the ICCPR Act provides that: "[i]n all matters concerning children, whether undertaken by public or private social welfare institutions, courts, administrative authorities or legislative bodies, the best interest of the child shall be of ***paramount*** importance." (emphasis added)

Nevertheless, some of the earlier thinking around the Hague Convention reflected the view that it was inappropriate for courts in return proceedings (proceedings in the state in which an application to return a child to the habitual residence is taking place) to consider the best interest of the child, and there is authority for this proposition as well.

Given this, it may be appropriate for Parliament to address any existing ambiguity by reasserting that the best interest standard applies to Hague Convention proceedings as well, so as to prevent unnecessary ambiguity in the law.

Comparative Experience

Sri Lanka is not the only jurisdiction to struggle with the provisions of the Hague Convention on International Child Abduction.

In the case of ***Neulinger and Shuruk vs Switzerland***[1], the Grand Chamber of the European Court on Human Rights concluded this analysis of the principles by noting that it followed from Article 8 of the European Convention on Human Rights[2] that a child's return could not be ordered automatically or mechanically when the 1980 Hague Convention was applicable. The child's best interests, from a personal development perspective, would depend on a variety of individual circumstances, in particular his age and level of maturity, the presence or absence of his parents and his environment and experiences. Consequently, those best interests had to be assessed in each individual case. This was primarily a task for domestic authorities, and in that they enjoyed a certain margin of appreciation, but this was subject to a European supervision whereby the Court would review under the ECHR the decisions that those authorities have taken in the exercise of that power.

The Court added that it had to ensure that the domestic decision-making process was fair and allowed those concerned to present their case fully. It was for the Court to ascertain whether the domestic courts had conducted an in-depth examination of the entire family situation and made a balanced and reasonable assessment of the respective interests of each person, with a constant concern for determining what the best solution would be for the abducted child in the context of an application for his return to his country of origin.

The Court has followed this approach in two other cases: ***Sneersone and Campanella v. Italy*** (14737/09) and ***X v. Latvia*** (27853/09). Both these cases involved a mother who had allegedly abducted the children out of the habitual residence of the children. The Courts held that a summary return of the child breached Article 8 of the European Convention, and that the said Article required a detailed assessment of the interests of the competing interests of the parties including that of the child.

Practical realities

The travaux preparatoires reveal that the Hague Convention imagined that the vast majority of cases the Convention would be applied to were cases in which the non-primary caretaker removes the child from the primary caretaker and moves the child to another country.

---

[1] *Neulinger and Shuruk v. Switzerland* (Application No 41615/07), Grand Chamber, INCADAT Reference HC/E/ 1323

[2] Article 8(1) of the Convention provides: "Everyone has the right to respect for his private and family life, his home and his correspondence."

However, as one 2022 paper on the Hague Convention notes, the Convention drafters did not envisage that "in the years since the drafting of the Convention, the profile of the abducting parent has belied the drafter's initial notions, as the taking parent is most commonly the primary caretaker/mother.[3]

The 2023 Report of the United Nations Special Rapporteur on violence against women and girls, its causes and consequences, Reem Alsalem, dealt with the Hague Convention as well.

She states at paragraphs 36 and 37:

> *36. The Hague Convention on the Civil Aspects of Child Abduction (1980) covers international parental child abduction and provides an expeditious process for the return of a child internationally abducted from his/her habitual residence in the territory of one State party to the Hague Convention by a parent to the territory of another State party to the Convention so that the courts in that jurisdiction can settle a custody dispute. However, the Convention does not mention domestic violence, neither does it include protections for abused mothers.91 As a result, when mothers flee with their children across international borders, they become vulnerable to being treated as an "abducting" parent by the courts under the Convention. 37.*
>
> *37. **Around three-quarters of all cases filed under the Hague Convention are against mothers, most of whom are fleeing domestic violence or seeking to protect their children from abuse**.92 Article 13 of the Convention states that an order for the return of a child can be rejected if there is a "grave risk" of harm. However, courts have been reluctant to accept exposure to domestic violence as a reason not to return children to another State party. In some cases, courts have returned children to their country of habitual residence even where they have found that violence has occurred against the children,93 frequently compelling women and children to return to abusive and life-threatening situations.94 Migrant women who seek to return to their home countries for familial support face additional barriers if they are forced back owing to accusations of child abduction.95 (emphasis added)*

She then recommends that the Convention "be revised to better protect abused women and their children by allowing a stronger defence against return if there is family and domestic violence…."

In Sri Lanka's context, many Hague cases likely to be dealt with by our courts are likely to involve a mother and father of Sri Lankan origin and quite possibly nationality who have moved overseas for employment opportunities, where the mother returns to Sri Lanka subsequent to or precipitating marital separation. There may or may not be allegations of domestic violence. It is likely that in a vast majority of cases of mothers returning to Sri Lanka, the mother is the primary caregiver.

In these circumstances, if the court is unable to consider the mother's reasonable prospects of returning to the other country including matters such as visa and employment balanced

[3] Deborah Reece, Exposure to Family Violence in Hague Child Abduction Cases, 36 Emory Int'l L. Rev. 81 (2022).

against the father’s ability to visit Sri Lanka, the question of domestic violence and the actual prospect of the mother being able to access justice mechanisms in those countries, and other related issues, the child may either be permanently alienated from the primary caregiver, or be placed in an environment in which the mother is forced to return to the father and to an unhappy or even violent marriage.

These are practical realities that the lawmakers must consider seriously.

Conclusion

In view of the foregoing, the following may be suggested:

1. Repeal of the provision “(b) there is grave risk that the child's return would expose the child to physical or psychological harm of otherwise place the child in an intolerable situation” and replace it with the provision “(b) the child’s return would not be in the best interest of the child”; or
2. Retain (a) and (b) and insert “(c) the child’s return would not be in the best interest of the child”; or
3. Amend (b) to read: “(b) the child’s return would not be in the best interest of the child or there is grave risk that the child's return would expose the child to physical or psychological harm of otherwise place the child in an intolerable situation”

03. Amendments to the Partnership Law

Date Started: 28.03.2024

The Commission appointed the following members to the subcommittee to consider the amendments necessary to the partnership law.

1. Dr. Harsha Cabral, P.C.
2. Mr. Chanaka De Silva P.C
3. Prof. Naazima Kamardeen
4. Dr.Milhan Mohamed

Present Status and Progress:

The interim report submitted by Prof. Naazima Kamardeen, of the Sub-Committee on Partnership Law Reforms in Sri Lanka, was tabled and discussed. Prof. Kamardeen informed the Commission that the Sub-Committee considered the following areas of the above topic.

1. The draft and concept note written by Dr. J. Swaminathan were discussed

2. The deficiencies in the Sri Lankan legislation were noted

3. The fact that new developments in the area of partnership law in general and of limited liability partnerships in particular, need to be evaluated.

Actions to be taken:

1. To check foreign jurisdictions (eg: Singapore) to ascertain the new developments, in this regard.

2. To check partnership agreements of law firms, to see which provisions contained are to be regulated by law.

3. To go through documents drafted by Dr. Swaminathan and see what can be utilized for the present purpose.

4. To research into any local authorities/cases on partnership law that could assist in the development of partnership law.

Prof. Naazima Kamardeen further informed that the finalized draft will be forwarded as soon as possible.

Number of Subcommittee Meetings: 02 (Second Quarter 2024)

Number of Law Commission Meetings discussed the progress of the Reforms: 08

Other topics discussed apart from the main topics in the agenda

1. Removal of anomaly created by Act No.43 of 2024

The research paper on the above topic drafted by Mr. Samatha Ratwatte P.C. was tabled and discussed at the Law Commission meeting held on 23.10.2024.The members agreed to have a further discussion at the next meeting.

Number of Research Paper Discussed: 01

2. Report on case statistics in Sri Lanka 2023

The above report sent by the Ministry of Justice by their letter No. MOJ/PLN/Stat/General-2023 dated 10th October 2024 was tabled and discussed. The Chairman appointed a subcommittee headed by Dr. Harsha Cabral P.C. and Mr.Nirmalan Wigneshwaran - Attorney at Law and Mr. Niran Ankatell - Attorney at Law as members to study the report and forward their views to the Commission.

Removal of anomaly created by Act no. 43 of 2024

Making suggestions to remove anomalies in enactments is one out of the many duties cast upon the Law Commission by S4 of the Law Commission Act.

As such, urgent attention of the Chairman and Members of the Commission is drawn to the recent amendment to S 9 (a) of the Civil Procedure Code by Act no. 43 of 2024, which was not referred to the Law Commission prior to its enactment.
This amendment entitles any Plaintiff to institute action where "a party plaintiff or a party defendant resides" as opposed to the previous formulation "a party defendant resides".

One cannot compare this with the special provisions made in divorce cases as the husband and the wife would have lived together in one jurisdiction at one point until the marriage broke down. That has to be the rationale for permitting the action to be filed in either jurisdiction in divorce cases.
This amendment defeats the rationale behind the original formulation of the Section.

The rationale behind the original formulation of S 9(a) prior to the amendment in issue, has been explained in **Hussan vs. Peiris (1932) 34 NLR 238**.

At pages 242-243 of the above Judgment ; "… in terms of Section 14 of the of the Civil Procedure Code, if the term "party defendant" means one "against whom the right to any relief is alleged to exist", **this definition of the term will prevent a plaintiff commencing an action in a particular district against one residing in the same who is in the same interest as the plaintiff and is therefore only a nominal defendant** —one who in Baker v. Wait, was described as "a pocket defendant"— **whereby he would compel, by a side wind, the real defendant, the one against whom a right to relief was alleged to exist, to come and be sued out of his own district**.""

Instances where a Defendant would be at a great disadvantage and inconvenience if a Plaintiff were to name a "pocket" Defendant to confer jurisdiction in the Court he wishes, is further illustrated in **(1932) 34 NLR 238** (cited above).

"An instance of this would be where a first mortgagee commenced action in his own district against a puisne mortgagee who was resident therein, making him defendant to found jurisdiction, although the mortgagor might be resident in another district, and another instance would be an action on a negotiable instrument where the holder of the instrument brought action in the court of the district where the drawer was resident, the drawer being, let us suppose, entirely in his, the plaintiff's interest, while the parties against whom the relief was really sought, the acceptor and indorsers, resided in another district. These were pretty much the facts in Baker v. Wait, cited supra, per James V.C. "If the plaintiff having only, as he may be called, this 'pocket' defendant of his own within this district, were to go on with a plaint filed in the County Court of this district, in which none of the other defendants reside, I should not hesitate to say that all orders made in such a matter would be wholly void and of no effect".

Therefore, it is clear that the idea behind the original S9(a) was to prevent a Defendant from being harassed by putting forward a "pocket" Defendant to make the "real" defendant "**to come and be sued out of his own district**."

Furthermore, as different principles are applicable to jurisdiction conferred on a Court based on the other heads of Section 9 of the Civil Procedure Code, the rationale behind those heads of jurisdiction will become redundant after the new amendment.

An action in respect of immovable property can be filed where the land is situated in terms of Section 9(b). Section 9(c) confers jurisdiction based on where the cause of action arose [***Seneviratne vs. Thaha (1961) 65 NLR 184***]; in the absence of an express agreement, actions to recover money on negotiable instruments are governed by English law principle of "debtor must seek the creditor" [***Sri Lanka Co-operative Society vs. Susai [2009] 1 Sri LR 67***]. In terms of S 9(d), the jurisdiction is conferred based on where the contract sought to be enforced had been made.

However, suffice it to say, unless a specific statute governs jurisdiction (such as the Partition Law which makes it mandatory to file action where the land sought to be partitioned is situate) as explained in the above mentioned 34 NLR case, one would be able satisfy the jurisdictional requirement by falling under any of the heads under S9, and in all cases, by filing action where a party defendant resides.

If a comparison for the rationale from other jurisdictions where a Code for Civil Procedure is used is necessary, India, Pakistan, Canada and Switzerland can be cited. In these jurisdictions, the right to invoke a Court's jurisdiction ***has not been granted based on the*** ***Plaintiff's residence*** presumably based on the rationale set out above.

For example in India, Except for actions in respect of immovable property, which are to be instituted where the land is situated in terms of Section 17 of the Code of Civil Procedure, 5 of 1908 of India, suits for compensation for wrongs to person or movables may be instituted where the wrong was committed or where the Defendant resides, (S 19) and in all other cases, where the Defendant resides or the cause of action arises (S 20). Notably, illustration (b) of S 20 sets out an opportunity afforded to a non-resident Defendant to object to the jurisdiction of the Court.

"(b) A resides at Simla, B at Calcutta and C at Delhi. A, B and C being together at Benaras, B and C make a joint promissory note payable on demand, and deliver it to A. A may sue B and C at Benaras, where the cause of action arose. He may also sue them at Calcutta, where B resides, or at Delhi, where C resides but in each of these cases, if the non-resident defendant objects, the suit cannot proceed without the leave of the Court."

In, **Fomento Resources Pvt. Ltd vs Gayatri Weigh Bridge C/SCA/11233/2021** decided on 4.8.2022, the Supreme Court of India held that the application of the principle "debtor must seek the creditor" without any express agreement in the contract itself, is contrary to S 20 of the Code of Civil Procedure of India, as it has the consequence "of allowing a suit by a creditor in all cases to be filed at the plaintiff's place of residence or business." The Supreme Court commented on the object of S 20, which is "not to put the defendants to difficulties in defending litigation" and which is "***designed to secure the justice might be brought as near*** ***as possible to every man's hearthstone and that the defendant should not be put to the*** ***trouble and expense of travelling long distances in order to defend himself***.*"(para 35)*

S 20 of the Pakistan Code of Civil Procedure contains a provision which affirms the rationale of the Indian Civil Procedure Code.

Art. 30 (2) of the Federal Constitution of the Swiss Confederation provides that "Unless otherwise provided by law, ***any person against whom civil proceedings have been raised has the right to have their case decided by a court within the jurisdiction in which they resided."***

S 3 of **Uniform Court Jurisdiction and Proceedings Transfer Act (2021)** of Canada stipulates that “A court has territorial competence in a proceeding that is brought against a person only if:

a) that person is the plaintiff in another proceeding in the court to which the proceeding in question is a counterclaim;
b) during the course of the proceeding that person submits to the court’s jurisdiction;
c) there is an agreement between the plaintiff and that person to the effect that the court has jurisdiction in the proceeding;
d) that person is ordinarily resident in [enacting province or territory] at the time of the commencement of the proceeding;

(d.1) that person is a mandatory party in a proceeding that is brought against another person in which the court has territorial competence; or

e) there is a real and substantial connection between [enacting province or territory] and the facts on which the proceeding against that person is based.

Commentary to the said section states that paragraph (d) has replaced the traditional rule that a court has jurisdiction over any person that is served with process in the forum province or territory, which will have the effect of a person temporarily residing in the province or jurisdiction not being subject to the court’s jurisdiction: This change in the traditional rule is made on the ground of fairness, because a defendant's mere physical presence in a province or territory should not be a sufficient basis for a province or territory to assert judicial jurisdiction over the defendant.

Section (d.1) provides for a mandatory party, filling the gap in a situation where there is no other basis for territorial competence over a defendant. For example, where a co-owner sues a resident defendant for damage to a chattel located abroad and the other co-owner refuses to join in the claim, that co-owner must be made a defendant to the proceeding. [Commentary 3.5]

The **test of real and substantial connection** used in Canada lays the burden of identifying a presumptive connecting factor that links the subject matter of the litigation to the forum. As held in **Club Resorts Ltd vs. Van Breda [2012] 1 SCR 572**, for instance, in a case of tort, rebuttable presumptive connecting factors would be a) the defendant is domiciled or resident in the province; (b) the defendant carries on business in the province; (c) the tort was committed in the province; and (d) a contract connected with the dispute was made in the province which are non-exhaustive factors. In considering whether a new connecting factor should be given presumptive effect, "the values of order, fairness and comity can serve as useful analytical tools for assessing the strength of the relationship with a forum to which the factor in question points." Drawing a clear distinction between existence and the exercise of jurisdiction, the Court held that "Once jurisdiction is established, if the defendant does not raise further objections, the litigation proceeds before the court of the forum. The court cannot decline to exercise its jurisdiction unless the defendant invokes *forum non conveniens*."

Therefore, ideally, it is suggested the Law Commission recommend the repealing of this amendment.

If for some reason it is reluctant to do so, in the alternative, to make provision to temper the grave inconvenience and distress that is caused to a Defendant and the relative and undue advantage that can be commanded by a Plaintiff in a case.

If examples in this regard are required, take the case of a poor tenant from Batticaloa who is protected under the Rent Act being brought to Colombo or a peasant who claims prescriptive rights to a land in Jaffna being brought to Mathara.

Apart from this, this amendment would also be impractical in cases where action is for immovable property when it comes to the carrying out of surveys, commissions, etc.

The cost of litigation too would become substantially higher by having to summon witness almost always from a different jurisdiction (where the immovable property is situated)

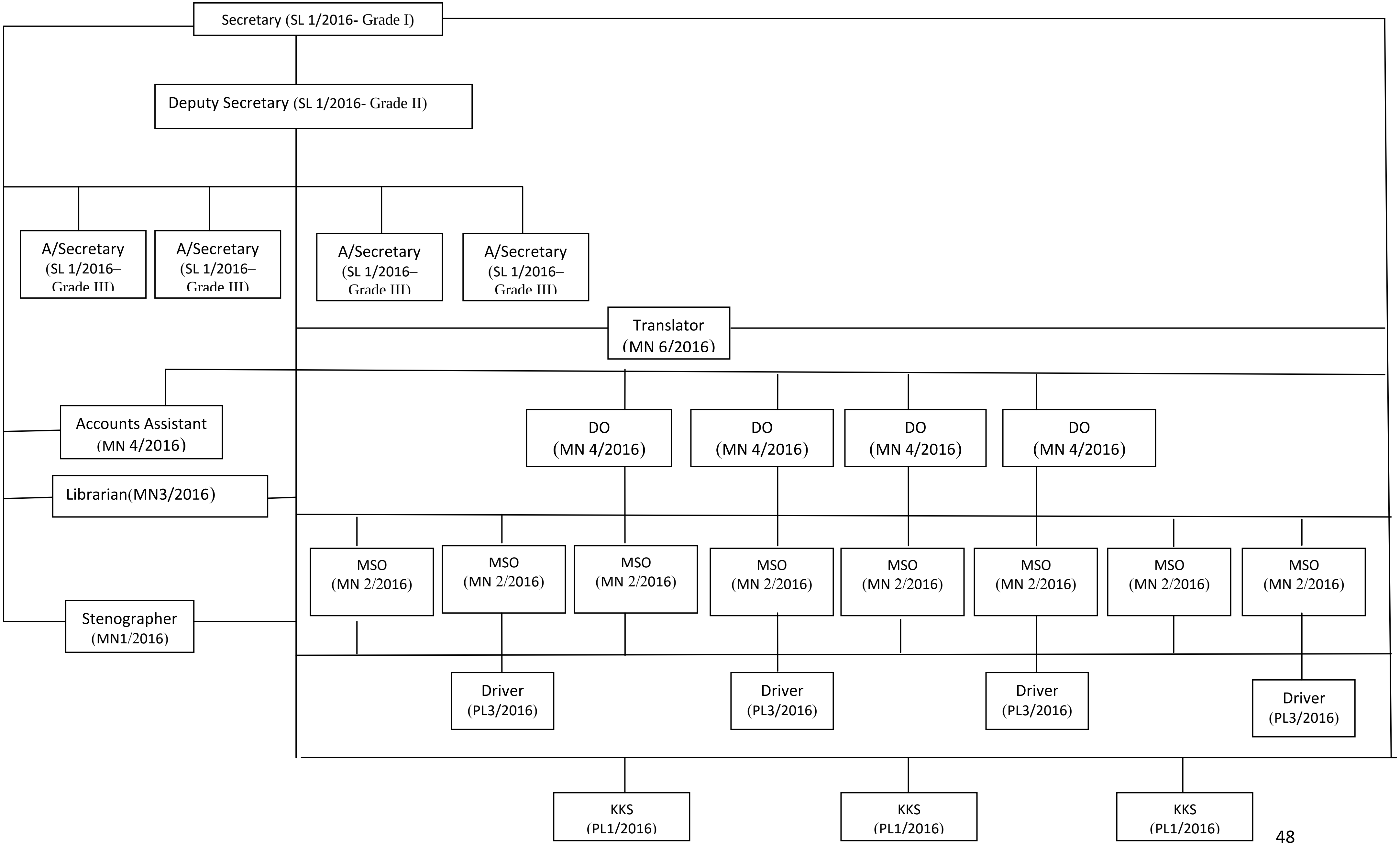
If the complete repealing is not possible, the suggestion would be to make an exception at least in the case of immovable property in addition to permitting a Defendant to make an application to get a case transferred to where he resides when there is a single Defendant.
An opportunity for the Defendant to object as provided in other jurisdictions such as India and Pakistan can be considered in this regard.

However, in the context of our Country, in instances where there are several Defendants, such an amendment would lead to complications and unnecessary delay.

Thus, alternatively, at least in the case of actions pertaining to immovable property , or any matter connected therewith, action should be directed to be filed where the immovable property is situated thereby creating an exception in respect of such matters similar to Partition Actions.

In view of the above concerns and impracticalities, it is suggested the Law Commission recommend the repealing of this provision as it does not resonate with logic or reason.

1.4 Organizational Chart



1.5 Departments under the Ministry/ Main Divisions of the Department/ Divisional Secretariats of the District Secretariat

Not relevant to this department.

1.6 Institutions/Funds coming under the Ministry/ Department/ Divisional Secretariats of the District Secretariat

Not relevant to this department.

1.7 Details of the Foreign Funded Projects (if any)

a) Name of the Project
b) Donor Agency
c) Estimated Cost of the Project –Rs. Mn
d) Project Duration

Not relevant to this department.

Chapter 02 - Progress and the Future Outlook

Briefly explain Special Achievements, challenges and future Goals

The Department of Law Commission was tasked by the Cabinet of Ministers, vide Cabinet Memorandum No. 2023/Cab Memo/J /L60,to propose a stronger legal framework on Insolvency in order to attract international investors to the country in the face of the ongoing economic crisis in the country.

Accordingly, the aforementioned law amendment bill, which was prepared in consultation with the country's financial institutions, companies and investment-related government and non-government institutions, Banks, judicial officers and legal professionals and was unanimously approved by the Law Commission and the World Representatives on 02nd August 2024.

Based on those proposals, the Cabinet Paper No.24/1714/614/.39-1and prepared by the department and of Legal Draftsmen Department and related to the Rescue, Rehabilitation and Disruption of Assets (corporate and personal) Act received cabinet approval on 26.08.2024.

I am pleased to inform you that the Law Commission has successfully met its performance targets for the year 2024 by presenting an excellent legislative amendment proposal in a very limited period of time regarding very complex and technical legal areas. On behalf of the Law Commission Department, I'd like to express my gratitude to the Chairman of the Law Commission Sub-committee on Insolvency Amendments, Mr. Chanaka Silva, President's Counsel, and all the members of the Sub-committee, who devoted their valuable time and expertise to the task. I'd also like to express my heartfelt gratitude to all the members of the Law Commission, including the Chairman of the Law Commission, President's Counsel Ikram Mohamed, who supported this task with their ideas and suggestions.

Furthermore, I extend my heartfelt gratitude to all the officers of the Department who provided the necessary support in successfully carrying out the tasks of the Law Commission while maintaining the other financial and administrative activities of the Department.

……………………………

C.S. Abeysekera

The Secretary

Department of Law Commission

Chapter 03–Overall Financial Performance for the Year ended 31st December 2024

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2024

Revised Budget Allocations Rs.		Note	Actual 2024 Rs.	Actual 2023 Rs.	
-	**Revenue Receipts**		-	-	
-	Income Tax	1	-	-	ACA-1
-	Taxes on Domestic Goods & Services	2	-	-	ACA-1
-	Taxes on International Trade	3	-	-	ACA-1
-	Non Tax Revenue & Others	4	-	-	ACA-1
-	**Total Revenue Receipts (A)**		-	-	
-	**Non Revenue Receipts**		-	-	
-	Treasury Imprests		16,898,000	14,353,000	ACA-3
-	Deposits		-	-	ACA-4
-	Advance Accounts		-	973,738	ACA-5
-	Other Main Ledger Receipts		-	-	
-	**Total Non Revenue Receipts (B)**		**16,898,000**	**15,326,738**	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		16,898,000	15,326,738	
	Remittance to the Treasury (D)		35,950	45,093	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		**16,862,050**	**15,281,645**	
	Less: Expenditure				
-	**Recurrent Expenditure**				
13,460,000	Wages, Salaries & Other Employment Benefits	5	11,491,955	9,927,473	ACA-2(ii)
12,200,000	Other Goods & Services	6	9,036,542	6,276,508	ACA-2(ii)
200,000	Subsidies, Grants and Transfers	7	1,491	22,875	ACA-2(ii)
-	Interest Payments	8	-	-	ACA-2(ii)
-	Other Recurrent Expenditure	9	-	-	ACA-2(ii)
25,860,000	**Total Recurrent Expenditure (F)**		**20,529,988**	**16,226,856**	
	Capital Expenditure				
850,000	Rehabilitation & Improvement of Capital Assets	10	583,987	-	ACA-2(ii)
350,000	Acquisition of Capital Assets	11	293,105	266,353	ACA-2(ii)
-	Capital Transfers	12	-	-	ACA-2(ii)
-	Acquisition of Financial Assets	13	-	-	ACA-2(ii)
100,000	Capacity Building	14	93,648	36,000	ACA-2(ii)
-	Other Capital Expenditure	15	-	-	ACA-2(ii)
1,300,000	**Total Capital Expenditure (G)**		**970,740**	**302,353**	
	Deposit Payments		-	-	ACA-4
2,000,000	Advance Payments		773,473	1,629,087	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		**773,473**	**1,629,087**	
	Total Expenditure I = (F+G+H)		22,274,201	18,158,296	
	Balance as at 31st December J = (E-I)		**(5,412,151)**	**(2,876,651)**	
	Balance as per the Imprest Adjustment Statement		(5,412,151)	(2,876,651)	ACA-7
	Impresst Balance as at 31st December		-	-	ACA-3
			(5,412,151)	**(2,876,651)**	

1

3.2 Statement of Financial Position

ACA-P

Statement of Financial Position
As at 31st December 2024

	Note	Actual 2024 Rs	2023 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	46,784,790	24,906,562
Financial Assets			
Advance Accounts	ACA-5/5(a)	2,909,110	2,943,555
Cash & Cash Equivalents	ACA-3	-	-
Total Assets		**49,693,900**	**27,850,117**
Net Assets / Equity			
Net Worth to Treasury		2,909,110	2,943,555
Property, Plant & Equipment Reserve		46,784,790	24,906,562
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	-	-
Unsettled Imprest Balance	ACA-3	-	-
Total Liabilities		**49,693,900**	**27,850,117**

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from ……1…. to…28… and Annexures to accounts presented in pages from …29…. to …36…….. form an integral part of these Financial Statements. The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 06/2024, dated 16.12.2024 and hereby certify that figures in these Finacial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.

Chief Accounting Officer
Name :
Designation :
Date : 2025/02/ 28
Ayesha Jinasena, P.C.
Secretary
Ministry of Justice and National Integration
No: 19, Sri Sangaraja Mawatha,
Colombo 10.

Accounting Officer
Name :
Designation :
Date : 2025/02/24
C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

Chief Financial Officer/ Chief Accountant/ Director (Finance)/ Commissioner (Finance)
Name :
Date : 2025/02/ 24
C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

2

3.3 Statement of Cash Flow

ACA-C

Statement of Cash Flows
for the Period ended 31st December 2024

	Actual	
	2024 Rs.	**2023 Rs.**
Cash Flows from Operating Activities		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	614,243	-
Imprest Received	16,898,000	14,353,000
Recoveries from Advance	807,918	-
Deposit Received	-	-
Total Cash generated from Operations (A)	**18,320,161**	**14,353,000**
Less - Cash disbursed for:		
Personal Emoluments & Operating Payments	16,505,829	12,847,296
Subsidies & Transfer Payments	1,491	22,875
Expenditure incurred on behalf of Other Heads	32,678	-
Imprest Settlement to Treasury	35,950	45,093
Advance Payments	773,473	1,135,383
Deposit Payments	-	-
Total Cash disbursed for Operations (B)	**17,349,420**	**14,050,648**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**970,740**	**302,353**
Cash Flows from Investing Activities		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-
Less - Cash disbursed for:		
Capital Expenditure	970,740	302,353
Total Cash disbursed for Investing Activities (E)	**970,740**	**302,353**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(970,740)**	**(302,353)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	**0.00**	-
Cash Flows from Fianacing Activities		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-
Less - Cash disbursed for:		
Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-
Total Cash disbursed for Financing Activities (I)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
Net Movement in Cash (K) = (G) + (J)	-	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

Notes to the Financial Statements

Annexure-(i)

Statement of Losses and Waivers
(Losses under F.R. 106 and F.R. 113)

Expenditure Head No : **Ministry / Department / District Secretariat :**
Programme No. & Title :

(i) **Statement of Losses Recovered/Written off/Waived off during the year.**

		Value	No.of Cases	Total Amount (Rs.)
Below	Rs.	25,000.00		No
Over	Rs.	25,000.01		No
	Total			No

Classification of the cases by nature of Losses.	No.of Cases	Value (Rs.)
1		No
2		No
3		No
4		No
Total		No

(ii) **Statement of Losses being held to be Written off/Waived off or recoverable so far**

		Value	No.of Cases	Total Amount (Rs.)
				No
Below	Rs.	25,000.00		No
Over	Rs.	25,000.01		No
				No

Age Analysis per (ii)

Less than five years	No.of Cases	
	Amount	Rs. No
5-10 years	No.of Cases	
	Amount	Rs. No
Over 10 years	No.of Cases	
	Amount	Rs. No

Classification of the cases by Nature of Losses	No.of Cases	Value (Rs.)
1		No
2		No
3		No
4		No
Total		No

Note- Details on losses under F.R.106 and waives under F.R. 113 accounted under object code no 1701 and such losses and waivers expected to be accounted in coming years should be included.

* When there are no information with regard to this report, a nil report should be submitted

....

Chief Financial Officer/Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date : 2025/02/ 24

C.S. Abeysekera
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana ...
Colombo 12

Annexure-(ii)

Statement of Write off from books

Expenditure Head No :

Ministry / Department / District Secretariat :

Programme No. & Title :

1 **Statement of losses and waivers under F.R. 109 during the year**

Value			No. of Cases	Value (Rs.)
(i)	Below Rs. 25,000.00	.. ..	No	No
(ii)	Over Rs. 25,000.01	.. ..	No	No
	Total			

2 **Statement of write off from the book and recoveries under F.R. 109 during the year**

Nature of Loss	Opening balance which was not written off	Value of loss	Recoveries	Value written off from the book	Balance carried forward which was not written off	Reference No. of Approval for write off from the book
	Rs.	Rs.	Rs.	Rs.	Rs.	
1						
2						
3						
4						
5						
6						
Total						

Note - Excluding losses and waivers to be accounted in Annexure(i), only any other losses and waivers under F.R.109 should be included in this format.

* When there are no information with regard to this report, a nil report should be submitted

....

Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date : 2025/02/24

E.S. Abeysekara
Attorney-at-Law
Secretary
Law Commission
No. 80, 04th Floor, Adhikarana M...
Colombo 12

Statement of Commitments and Liabilities as at 31st December

Note (iii)

Name of Special Expenditure Unit/Ministry/Department/District Secretariat:

Expenditure Head No:

Programme No. & Title:

Name of the Person/Institution	Comittment No.	Date	Head	Programme	Project	Sub Project	Object Code	Item Code	Finance Code	Commitment (Rs.) (1)	Commitment Balance (Rs.) (2)=(1)-(3)	Liability Date	Liability Amount (Rs.) (3)	Revised Liability (Rs.) (4)	Paid Liability (Rs.) (5)	Liability Balance (Rs.) (6)=(4)-(5)
1. Ministries/Government Department																
Postal Department		December 2024	235	01	01		1402		11			December 2024	7,100			7,100
Total													7,100			7,100
3. Others (Private Parties)																
Sri Lanka Telecom Ltd		December 2024	235	01	01		1402		11			December 2024	19,064			19,064
Mobitel (Pvt) Ltd		December 2024	235	01	01		1402		11			December 2024	1,749			1,749
Nipuni Cleaning Services Pvt Ltd		December 2024	235	01	01		1405		11			December 2024	34,895			34,895
American Premium Water System Ltd.		December 2024	235	01	01		1409140		11			December 2024	4,919			4,919
Total													60,627			60,627
Grand Total													67,727			67,727

*Nature of payments/Liabilities should be recognized separately as follows.

1. Ministries/Government Departments
2. State Corporations/Statutory Boards
3. Private Parties

Liabilities are transactions of which payments have not been made to the relevant parties, although goods, services or assets and services pertaining to construction contracts have been received during the respective accounting year.

Commitments are contracts or written agreements which have been entered in to with the external parties in order to obtain goods and services during the respective accounting year, although the relevant assets or services have not been received.

....

Chief Financial Officer /Chief Accountant/Director (Finance)/

Commissioner (Finance)

Date : 2025/02/24

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

31

Annexure (iv)

Statement of Liabilities - (i)

Statement of Commitments in terms of FR 94 (2) and (3)

Name of Ministry / Department / District Secretariat :
Expenditure Head No. :
Programme No. & Title :

Name of the Person/Institution	Description of Commitments	Project	Sub Project	Object Code	Financing Code	Maximum Commitment Ceiling In terms of FR 94(2) Provisions (Rs.)	Total Cost Estimate In terms of FR 94(3) (Rs.)	Commitment & Liability Amount (Rs.)
1. Ministries/Government Department								
....								
....								
Total								No
2. State Corporations/Statutary Boards								
....								
....								
Total								No
3. Others (Private Parties)								
....								
....								
Total								No
Grand Total								

....

Chief Financial Officer/Chief Accountant/Director(Finance)/Commissioner(Finance)

Date : 2025/02/24

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

Annexure-(v)

Statement of Liabilities - (ii)

Provision Transferred to the Deposit Account in terms of FR 215 (3) (b) & (c)

Name of Ministry / Department / Districr Secretariat :
Expenditure Code :
Programme No. & Title :

Name of the Person/Institution (To be identified at the time of Transfering the Provision to Deposit Accounts.) *	Description of Liability	L/C No.	Particular of Vote details from which Provisions were Transfered				Deposit Account No.	Amount Transferred (Rs.)
			Project	Sub Project	Object Code	Financing Code		
1. Ministries/Government Department								
....								
....								
Total								No
2. State Corporations/Statutary Boards								
....								
....								
Total								No
3. Others (Private Parties)								
....								
....								
Total								
Grand Total								No

* should use only when relevant to the reporting entity

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

Chief Financial Officer/Chief Accountant/Director(Finance)/Commissioner(Finance)

Date : 2025/02/24

Statement of Claims under Reimbursable Foreign Aid

Annexure-(vi)

Ministry / Department / District Secretariat :

Programme No. & Title :

Rs.

(1) **Provision in Estimates - 2024 under Reimbursable Foreign Aid including Supplimentary provisions**

(2) **Total Expenditure disbursed during the year 2024, against (I) above**

No

(3) **Total of Reimbursement Cliams outstanding as at 01st January 2024**

No

(4) **Total of Reimbursement Claims made during the year 2024, in respect of years 2022 & prior years (if any)**

No

(5) **Total of Reimbursement Claims made during the year 2024, in respect of year 2023**

No

(6) **Total of Claims disallowed by the Donor, during 2024 (if any), in respect of Claims 2023 or prior years (if any)**

No

(7) **Total of Claims disallowed by the Donor, during 2023 (if any), in respect of Claims 2024**

No

(8) **Total of Reimbursements received during the year 2024, in respect of years 2023 or prior years**

No

(9) **Total of Reimbursements received during the year 2024, in respect of years 2023**

(10) **Total of reimbursement Claims outstanding as at 31st December 2024**
[(3+4+5) - (6+7)] - (8+9)

No

(11) **Total of Reimbursement Claims made after 31/12/2024 in respect of 2023 up to the finalization of theFinancial Statements**

No

(12) **Total of Reimbursement received after 31/12/2024 up to the finalization of the Financial Statements**

No

(13) **Total of Reimbursement Claims outstanding as at the date of presenting the Financial Statements**
(10 + 11 - 12)

No

* should use only when relevant to the reporting entity

Chief Financial Officer /Chief Accountar
Director (Finance)/ Commissioner (Finance)
Date : 2025/02/24

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

Annexure-(vii)

Statement of Missing Vouchers

Ministry / Department / District Secretariat :
Expenditure Head No :
Programme No. & Title :

Date	Voucher No.	Name of Payee	Nature of Payment	Amount (Rs.)
No	No	No	No	No

* When there are no information with regard to this report, a nil report should be submitted

Chief Financial Officer /Chief Accountant/Director (Finance)/
Commissioner (Finance)
Date : 2025/02/24

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

Annexure-(viii)

The Status Report as at 31/12/2024 on Bank Accounts opened in terms of Treasury Operation Circular No. 3/2015 of 23/10/2015

Expenditure Head No. : **Ministry / Department / District Secretariat :**

Serial No.	Name of Bank	Account No.	Balance as per Bank Statement as at 31/12/2024 (Rs.)	Balance as Per Cash Book as at 31/12/2024 (Rs.)	Total Value of Cheques not yet Presented to Bank as at 31/12/2024 (if exceeds 6 months)	Month of Last Bank Reconciliation Prepared
	Bank of Ceylon- Hulftsdorp	7041539	292,587			December 2024

I hereby certify that the above information is true and correct.

....

Chief Financial Officer /Chief Accountant/Director (Finance)/ Commissioner (Finance)

Date : 2025/02/24

C.S. Abeysekara
Attorney-at-Law
Secretary
Department of Law Commission
No. 80, 04th Floor, Adhikarana Mawatha,
Colombo 12

3.5 Performance of the Revenue Collection

Rs.

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
-	-	-	-	-	-

*** Kindly be informed that this Department is not engaged in the process of Revenue Collection.**

3.6 Performance of the Utilization of Allocation

Rs.

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	24,700,000	25,860,000	20,529,988	79.39%
Capital	1,300,000	1,300,000	970,740	25.33%

3.7 In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments

Rs.

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		

3.8 Performance of the Reporting of Non-Financial Assets

Rs. ,000

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2024	Balance as per financial Position Report as at 31.12.2024	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures				
9152	Machinery and Equipment				
9153	Land				
9154	Intangible Assets	578,000	578,000		100%
9155	Biological Assets				
9160	Work in Progress				
9180	Lease Assets				
-	Vehicles	12,000,000	12,000,000		100%
-	Furniture and Office Equipment	34,206,790	34,206,790		

3.9 Auditor General's Report**

** The final audit report issued by the Auditor General to be scanned and placed here while submitting to the Parliament.

NATIONAL AUDIT OFFICE.

My No.} JLO/A/DLC/FA/2024/20 Your No.} Date} 30th May 2025

Secretary

Department of Law Commission.

Head 235 – Auditor –General's Summary Report as per the Section 11 (1) of National Audi Act, No.19 of 2018 regarding the Financial statements of the Department of Law Commission for the period ended 31 December 2024.

The Original copy of the said report and Financial Statement (Sinhala, English, Tamil) is enclosed herewith.

Sgd. Illegibly

U. N. Aluthge

Senior Assistant Auditor-General

for Auditor-General (Actg.)

Copy: - Director General, Department of State Accounts.

NATIONAL AUDIT OFFICE.

My No. JLO/A/DLC/FA/2024/20 Your No.
Date 30th May 2025

Secretary

Department of Law Commission.

Head 235 – Auditor –General's Summary Report as per the Section 11 (1) of National Audi Act, No.19 of 2018 regarding the financial statements of the Department of Law Commission for the period ended 31 December 2024.

1. **Financial Statements.**

   1.1 Expressing a qualified opinion.

Head 235 -The audit was carried-out by my command as per the provisions of the National Audit Act, No.19 of 2018 which should be read together with the provisions included in the Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka regarding the Statement of Financial Position as at 31st December 2024, Statement of Financial Performance for the period ended on that same day, and the Financial Statements for the year ended from 31st December 2024 containing the Statements of Cash Flows of the Department of Law Commission. This report mentions my presentation of views and observations about these Financial Statements submitted to the Department as per Section 11(1) of National Audit Act, No. 19 of 2018. The Auditor-General's report that should be submitted as per the Article 154 (6) of the Constitution of the Democratic Socialist Republic of Sri Lanka which should be read together with Section 10 of the National Audit Act, No. 19 of 2018 will be submitted to Parliament in future.

In my opinion, except the effect of the matters set out in Section 1.6 of this report, the Financial Statements of the Department of Law Commission for the year ended 31st December 2024, present fairly, in all material respects the Financial Position, Financial Performance and Cash Flows of the Department in accordance with the basis of preparation of the Financial Statements set out in Note 1 to the Financial Statements.

1.2 Basis of expressing a qualified opinion.

My qualified opinion will be expressed on the matters in Section 1.6 of this report. I carried-out the audit in accordance with the Sri Lanka Auditing Standards (SLAS). The Section deals under Responsibilities of the Auditor-General further explains my responsibility regarding the Financial Statements. I believe the audit evidence that I have obtained is substantial and appropriate to provide a basis for my opinion.

1.3 Emphasis of Matter – Basis of Preparation of Financial Statements.

I draw attention to Note 1 to the Financial Statements, which describes the basis of preparation of these financial statements. The Financial Statements have been prepared for the use of the Law Commission Department, the Treasury and the Parliament in accordance with Government Finance Regulations 150 and 151 and Public Accounts Guidelines No. 06/2024 dated 16th December 2024, as amended on 21st February 2025. Accordingly, these Financial Statements may not be suitable for other purposes.my report is intended only for the use of the Law Commission Department, the Treasury and the Parliament of Sri Lanka. My opinion on this matter is not modified.

1.4 Responsibility of Chief Accounting Officer and Accounting Officer regarding the Financial Statements.

Responsibility of the Accounting Officer is to prepare Financial Statements that give a true and fair view in all material respects in accordance with Government Financial Regulations 150 and 151 and Public Accounts Guidelines No. 06/2024 dated 16th December 2024 as amended on 21st February 2025, and to decide the required internal controls to enable the preparation of Financial Statements without qualitative misrepresentations that may occur from frauds and errors.

The Department should maintain proper books and records of all its income, expenditure, assets and liabilities, to enable the preparation of annual and periodic financial statements as per Section 16 (1) of the National Audit Act, No. 19 of 2018.

Accounting Officer should ensure that an effective internal control system for the financial control exists in the Department and carry-out periodic reviews to monitor the effectiveness of such systems and accordingly make any alterations as required for such systems to be fruitfully carried-out as per sub-section 38(1) (c) of the National Audit Act, No. 19 of 2018.

1.5 Responsibilities of the Auditor-General regarding the Financial Statements.

My aim is to give a fair confirm that the Financial statements are in general without qualitative misrepresentations that may occur from frauds and errors, and issue the Auditor-General's report including my opinion. Even though, the fair certification is a higher level certification, it will not be a confirming of a revelation of qualitative misrepresentations each time when it is carried-out as an audit as per Sri Lanka Auditing Standards. The qualitative misrepresentations might occur due to individual or group frauds and errors and the qualitatively manner will depend on the effect of the economic decisions taken by the users based on these Financial Statements.

The audit has been carried-out by me as per Sri Lanka Auditing Standards with professional judgment and professional suspicion. Further,

- When finding a base for the stated audit opinion, identifying and estimating the risks causing qualitative misrepresentations in the Financial Statements due to frauds and errors, the appropriate audit procedures, as per the case may be, are planned and activated. Affects caused due to fraudulency are more powerful than affects caused by qualitative misrepresentations due to wrong interpretation, because they are from reasons of misstatements, making forged documents, purposely avoiding, wrongly interpreted or avoiding the internal controls.

- Not intended to state an opinion about the effectiveness of the internal control of the Department, but to obtain an understanding about the internal control in order to plan the appropriate audit procedure.

- To praise that the transactions and incidents that led to the structure and content of the Financial Statements which contain disclosures on the Financial Statements are included appropriately and in a fair way.

- Presentation in general is praised for including transactions and incidents which led to the structure and content of the Financial Statements in an appropriate and in a fair way, and also for including revealing in Financial Statements.

The Accounting Officer is notified about the important audit findings, weaknesses in the main internal controls and other matters identified during my auditing.

1.6 Ideas regarding the Financial Statements.

1.6.1 Non-Revenue Receipts.

According to the Treasury Prints SA 52, the Advance Accounts Receipts were Rs. 807, 918. But this was not mentioned and the Statement of Financial Performance under Non-Revenue Receipts mentioned it as a lesser value.

1.6.2 Balance in the Statement of Imprest.

According to the departmental Balance Sheet, the credit made by the institution to the Advanced B account was Rs. 807,918 in the preliminary Reconciliation Statement, although there was no credit.

1.6.3 Non-financial Assets.

(A) Although all government institutions are required to identify and report Non-Financial Assets with a value of Rs. 5,000 or more when reporting Non-Financial Assets as per Section 04 of the Asset Management Circular No. 04/2018 dated 31st December 2018, 501 numbers of consumer goods items worth Rs. 229,160 with a value of less than Rs.5, 000 were identified as Non-Financial Assets.

(B) Due to the use of the new CIGAS programme in the Department from the year 2024, the Non-financial Assets of the Department had been valued as at 31st December 2024.accordingly, although the total of other machinery and equipment as per the valuation report submitted to the audit was Rs. 34,495,611, but it was stated as Rs. 33,947,340 – a decrease of Rs. 548,271 in the Treasury printout SA 82.

(C) Although the value of books, periodicals and magazines as per Treasury printout SA 82 as on 31st December 2024 was Rs. 27,388,342, as per the schedule obtained from the Department’s New CIGAS programme, it was Rs. 27,377,550, which was less than Rs. 10,792 as stated in the New CIGAS programme.

1.6.4 Initial Balance.

(A) Although the gross receipts from other sources as per Treasury printout SA 71 were Rs. 875,852, that value had not been included in the ACA 3 Form.

(B) Although the final settlement through expenditure as per SA 71 printed by the Treasury was Rs. 17,737,902, it was shown in Form ACA 3 as Rs. 16,862,050 – a shortfall of Rs.875, 852.

2. Report on other legal requirements.

I hereby declare the following in accordance with Section 6 (1) (d) of the National Audit Act, No. 19 of 2018.

(a) That the Financial Statements are consistent with the previous year.

(b) The recommendations I had made regarding the Financial Statements for the previous year had been implemented.

3. Financial Review.

3.1 Expenditure Management.

(A) Out of the allocation of Rs. 24,360,000 for 16 Recurrent Expenditure items and 02 Capital Expenditure items, Rs. 5, 424, 385 remained, which ranged from 12 percent to 99 percent. Accordingly, estimates had been prepared without identifying the requirement.

(B) The total allocation amount of Rs. 100,000 for 02 Recurring Expenditure items was completely left over.

(C) Although provisions of Rs. 500,000 had been made for the expenditure subject code 235-1-1-0-1403/0-11 under Financial Regulation 66 Transfers, that amount had remained in full as on 31st December of the year under review. Accordingly, the total provision remaining unspent in that expenditure subject was Rs. 570,190 and although the reasons given were expenditure restrictions in accordance with the expenditure management circular, the provisions had been transferred without properly identifying the need when transferring provisions under Financial Regulation 66.

(D) Although the reasons given for the balance of Rs.3, 105,694 in the total of 05 expenditure items are the amount left over from the allocations made in the year 2024, there are no sufficient facts to justify the reasons for the balances in these expenditure items. The financial statements were not presented and estimates were prepared without properly identifying the need.

(E) In the expenditure subject code 235-1-1-0-1203-002/11, the reason given for the balance of Rs. 30,000 i.e. 60 percent of the estimated provision was the amount spent from the provision allocated in the year 2024. Although the number of approved officers entitled to uniform allowance was 07, the estimates had been prepared without considering this.

(F) The savings in the expenditure subject code 235-1-10-1506-0/11 were 99.25 percent, and the reason for those savings was stated as the balance remained after all the officers who had applied and fulfilled the qualifications had been given the loan. Accordingly, the estimates had been prepared without correctly identifying the property loan interest requirement for government officers.

(G) Although the reasons given for the savings of Rs. 447,381 in 03 expenditure items was the expenditure related to the month of December, after incurring a total expenditure of Rs. 65,253 for those 03 expenditure items related to the month of December, provisions of Rs. 382,128 were still left.

3.2 Non-Compliance with Rules and Regulations.

Reference to Rules and Regulations.	Non-compliance.
(A) Section 7 (1) of the Stamp Duty (Special Provisions) Act No.12 of 2006.	Although the Stamp Duty should be registered with the Inland Revenue Department and remitted to the Commissioner General of Inland Revenue within 15 days of the end of each quarter, such action had not been taken.
(B) Section 301 of State Accounts Guideline No. 06/2024 dated 16th December 2024.	The Balance Sheet generated by the CIGAS desktop application which should be attached to the Financial statements as an Annexure, was not attached. Also, the final Treasury Statements of Accounts - SA 10,12,50,51 and 90 which were obtained from the New CIGAS web application system were not submitted with the Financial Statements. The consolidated liabilities and equity report generated by the New CIGAS web application which should have been included in place of Annexure (iii) was

		not attached.
(C)	Financial Regulations 238 (5)	Although the officer who pay salaries is required to verify that each officer receiving monthly salaries had signed the salary slip, in 23cases, officers had not signed the salary slips for salary payments totaling Rs. 1,744,263.
(D)	In terms of Financial Regulations 371(2) (a) of the Treasury Secretary's State Finance Circular No. 01/2020 dated 28th August 2020.	Although the maximum amount that can be paid at a time for a need from the petty-cash sub- prime should not exceed Rs. 5,000, an amount of Rs.25, 810 had been spent on 04 occasions.

4. Operational Review.

4.1 Performance.

4.1.1 Planning.

(a) 04 legal reform tasks were implemented in the year 2024, and this was not included in the Action Plan for the year 2024.the legal reform task on Bankruptcy included in this was initiated on 26th June 2023.

(b) The Action Plan prepared by the Department had not included the mandate and objectives of the institution, and no steps had been taken to identify performance indicators based on the mandate and objectives of the institution.

4.1.2 Failure to perform duties.

The Law Commission Department had not taken action regarding legal education in accordance with Section 5 of the Law Commission Act, No. 03 of 1969.

4.2 Security of Public Officers.

As per Financial Regulations 880, where officers who are administratively responsible for, or who under delegation are entrusted with, the receipt or custody of public money, revenue stamps or stores, or the disbursement of public money or the issue of stamps or stores and those who certify vouchers or sign cheques on Government Account are required to give security in accordance with the Public Officers (Security) Ordinance (Cap. 612) for the faithful discharge of their duties, and as per Ministry of Justice Circular No. 01/2011 dated 18th January 2011, two of the officers had not furnished security.

4.3 Management weaknesses.

(a) Although the two legal reform tasks of Amendments to the Civil Aspects of International Child Abduction Act and Amendments to the Partnership Act had been initiated in the first quarter of 2024, they had not been completed by 31st December 2024.

(b) Although the members had agreed to hold 12 meetings for the year 2024 at the Commission meeting held on 18th January 2024, only 08 meetings were held for the year under review, and 05 out of the 14 members of the Commission had not attended any of the meetings. Accordingly, the low participation of members in the meetings had hindered the expeditious conduct of the functions of the Law Commission.

(c) The balance of the Distress Loan that had been due for collection from an officer on No-pay for a period of 1 – 3 years was Rs.162, 500.

5. Human Resource Management.

5.1 Attached Cadre, True Cadre.

/	No. of Approved Employees	No. of True Employees	Vacancies (vacant)
Senior Level	06	03	03
Tertiary Level	01	01	-
Secondary Level	15	06	09
Primary Level	07	05	02
	29	15	14

(a) The Secretary had informed that although the approved number of employees in the Assistant Secretary post included in the Senior Level was 04, but the actual number of employees was 01, leaving 03 vacancies, and that it was necessary to fill those posts.

(b) Although the approved number of employees at the Secondary Level was 15, the actual number of employees was 06, leaving 09 vacancies. Among these, one post of Accounts Assistant, 01 post Development Officer, 06 posts of Management Assistants and the post of Stenographer were vacant. However, the Secretary had informed that the post of Stenographer was a post that could be suppressed.

(c) Although the approved number of employees for the Driver position included in the Primary Level was 04, the actual number of employees was 02, resulting in 02 vacancies.

Sgd. /Illegibly

U.N. Aluthge

Senior Assistant Auditor-General

For the Auditor-General (Actg.)

Chapter 04 — Performance indicators

4.1 Performance indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected Output		
	100%- 90%	75%-89%	50%- 74%
1. Rehabilitation & Improvement of Plant Machinery and Equipment	92%		
2. Vehicles			67%
3. Acquisition of Furniture and Office Equipment		84%	
4. Staff Trainings	94%		

SN	Indicator	Unit		Q1	%	Q2	%	Q3		Q4	%	Total
01	Number of law reforms included to agenda.	Number	**T**	5	100%	-	-	-		-		5
			P	**5**		**-**				**-**		**5**
02	Number of Meetings Conducted	Number	**T**	3	66%	3	66%	3	66%	3	66%	12
			P	**2**		**2**		**2**		**2**		**8**
03	Number of Stake holder meetings conducted	Number	**T**	3	100%	2	50%	2	100%	-	100%	7
			P	**12**		**1**		**2**		**2**		**17**
04	Number of Finalized Reports & Discussion research reports	Number	**T**	-	-	1	100%	-		5	100%	5
			P	-		1				**4**		**5**
Average Physical Progress					**89%**		**72%**		**83%**		**100%**	

Finalized reports and discussion research reports - Total 05

Q 1 - Insolvency Law - Finalized 01

Q 4 - Discussion Research reports

- Civil aspects of child abduction 03 } 04
- Concerns regarding recent amendments to sec 9 (a) of CPC 01

Total **05**

Chapter 05 - Performance of the achieving Sustainable Development Goals (SDG)

5.1 Indicate the Identified respective Sustainable Developments Goals

Goal / Objective	Targets	Indicators of the achievement	Progress of the Achievement to date		
			0%-49%	50%-74%	75%-100%
According to the Sustainable Development Goals three main goals have been identified. Goal 5: Achieve gender equality and empower all women and girls. Goal 10: Reduce inequality within and among countries. Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	1. End all forms of discriminating laws and ensure the equality legal protection and reduce the discriminating gaps. 2. Update the existing law with new legal remedies and concept in accordance with the progressive international standers. 3. Identification of issues to be developed in existing legal system and identification of the best legal remedies. 4. Promote the rule of law and ensure the equal access to justice for all. 5. Introduce new legal recommendation for general public, students and academic to create analytical discussion on law.	1. Discuss the legal proposals and suggestions forwarded by the general public and the government institutions. 2. Prepare research papers and analyze according to the international legal standards. 3. Prepare legal recommendation with views and suggestions of the Law Commission. 4. Forward the finalized legal recommendations to the Ministry of Justice or the relevant authorities to take further actions. 5. Update finalize legal recommendations and Acts passed by the parliament proposed by the Law Commission in the Law Commission's official web site.			✓

5.2 <u>Briefly explain the achievements and challenges of the Sustainable Development Goals</u>

The proposed bankruptcy law reform proposal submitted by the Law Commission in coordination with the World Bank representatives is very important in overcoming the challenge of achieving the sustainable development goals in the face of the current economic crisis that Sri Lanka is facing. It is expected that this legal amendment will strengthen the country's bankruptcy legal framework and attract international investors to the country.

Chapter 06 - Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies / (Excess)**
Senior			
Secretary	1	1	-
Deputy Secretary	1	1	-
Assistant Secretary	4	1	3
Territory			
Translator	1	1	-
Secondary			
Accounts Assistant	1	-	1
Development officer	4	3	1
Librarian	1	1	-
Management Service Officer	8	2	6
Stenographer	1	-	1
Primary			
Driver	4	2	2
KKS	3	3	-
Total	29	15	14

06.2 **Briefly state how the shortage or excess in human resources has been affected to the performance of the institute.

The institution was able to bring its performance to a satisfactory level by managing efficiently human resources of the present staff, although there had been vacancies in Staff Grade posts as well as in other posts.

06.3 Capacity Development of the Staff

*Briefly state how the training program contributed to the performance of the institution

Name of the Program	**Number of Trained Employees**	**Duration of the Program**	**Total Investment (Rs.)**	**Nature of the Program (Local/Foreign)**	**Output / Knowledge Gained**
Government Procurement Process	01	10 Days	Rs. 40,000	Local	Knowledge related to the Government Procurement Process
Scientific, Efficient, and Safe Driving	02	1 Day	Rs. 12,000	Local	Knowledge on Safe Driving
Expenditure and Payment Procedures	02	1 Day	Rs. 27,000	Local	Knowledge on Government Expenditure and Payments
Annual Goods Survey	01	1 Day	Rs. 13,500	Local	Knowledge on Annual Goods Survey
Tamil Language Course	02	150 Hours	Rs. 1,148	Local	Knowledge on the Tamil Language

Chapter 07– Compliance Report

No.	Applicable Requirement	Compliance Status (Complied/Not Complied)	Brief explanation for Non Compliance	Corrective actions proposed to avoid non-compliance in future
1	**The following Financial statements/accounts have been submitted on due date**			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)	Not relevant to this Department.		
1.4	Stores Advance Accounts			
1.5	Special Advance Accounts			
1.6	Others			
2	**Maintenance of books and registers (FR445)**			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards has been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied.		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		

2.11	Register of Counterfoil Books (GA – N20) has been maintained and update	Complied		
03	**Delegation of functions for financial control (FR 135)**			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the Institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls has been adhered to by the Accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	**Preparation of Annual Plans**			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		
4.3	The annual Internal Audit plan has been prepared	This Department does not operate an Internal Audit Unit and the duty is carried on by the Ministry of Justice, Human Rights & Law Reforms.		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	**Audit Queries**			
5.1	All the audit queries has been replied within the specified time by the Auditor General	Complied		

6	**Internal Audit**			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of FinancialRegulation 134(2))DMA/1-2019	This Department does not operate an Internal Audit Unit and the duty is carried on by the Ministry of Justice, Human Rights & Law Reforms.		
6.2	All the internal audit reportshas been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All thecopiesofinternalauditreportshas beensubmittedtotheAuditorGeneralinter msofFinancialRegulation134(3)	Complied		
7	**Audit and Management Committee**			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
8	**Asset Management**			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey was conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 05/2016	Complied		

8.4	Theexcessesanddeficitsthatweredisclosedthroughtheboardofsurveyandotherrelatingrecommendations,actionswerecarriedout during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	**VehicleManagement**			
9.1	The daily running charts and monthly summaries of the pool vehicleshad been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Kindly be informed that this Department does not own condemned vehicles.		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		
9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of the Public Administration Circular No. 30/2016 of 29.12.2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Kindly be informed that this Department does not own such vehicles.		
10	**Management of Bank Accounts**			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Kindly be informed that this Department does not own Dormant Accounts.		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statementsandforwhichadjustmentshadtobemade,andhadthosebalancesbeensettledwithinonemonth	Kindly be informed that this Department does not own balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made.		
11	**Utilization of Provisions**			
11.1	Theprovisionsallocatedhadbeenspentwi	Complied		

	thoutexceedingthelimit			
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	**Advances to Public Officers Account**			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	This Department does not possess any loans in arrears to carry out time analysis.		
12.3	The loan balances in arrears for over one year had been settled		Not Complied	Due to being involved in a sudden accident, the officer is currently undergoing medical treatment.
13	**General Deposit Account**			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	It is not necessary for this Department to maintain a General Deposit Account.		
13.2	The control register for general deposits had been updated and maintained			
14	**Imprest Account**			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task		Not Complied	The ad-hoc sub impresst was not required.
14.3	The ad-hoc sub imprests had not been issued exceeding the limit approved as per F.R. 371	Complied	Not Complied	The ad-hoc sub imprest was not required.
14.4	The balance of the imprest account had	Complied		

	been reconciled with the Treasury books monthly			
15	**Revenue Account**			
15.1	The refunds from the revenue had been made in terms of the regulations	Kindly be informed that this Department is not engaged in the process of collecting revenue.		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	There was no income received in the year 2024.		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	No arrears of revenue.		
16	**Human Resource Management**			
16.1	The staff had been paidwithin the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		
16.3	All reports have been submitted to MSD interms of their circular no.04/2017 dated 20.09.2017	Complied		
17	**Provision of information to the public**			
17.1	An information officer has been appointed and a proper register of information is maintained and updatedin terms of Right To Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate / allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	**Implementing citizens charter**			

18.1	Acitizensformulated and implemented by the Institutioninterms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	**Preparation of the Human Resource Plan**			
19.1	A human resource plan has been prepared interms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in theaforesaid Human ResourcePlan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		
20	**Responses Audit Paras**			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

END