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PART I.—GENERAL.

GOVERNMENT NOTIFICATIONS.

L. D.—CF 25/39

THE EMERGENCY POWERS (DEFENCE) ACTS, 1939 AND 1940.

DEFENCE Regulation made by the Governor by virtue of the powers vested in him by the Emergency Powers (Defence) Acts, 1939 and 1940, of the Imperial Parliament, as adapted, modified and extended to Ceylon by the Emergency Powers (Colonial Defence) Order in Council, 1939, and the Emergency Powers (Colonial Defence) (Amendment) Order in Council, 1940.

By His Excellency's command,

E. R. SUDBURY,  
Secretary to the Governor.

Colombo, April 2, 1941.

REGULATION.

The Defence (Finance No. 2) Regulations published in *Gazette Extraordinary* No. 8,525 of October 11, 1939, as last amended by the regulation published in *Gazette* No. 8,702 of January 17, 1941, are hereby amended in regulation 1, by the insertion, immediately after paragraph (2A), of the following new paragraphs :—

“(2B) Subject to any exemptions which may be granted by order of the Governor, no person in whose case the following conditions are fulfilled, that is to say—

- (a) that he is, or has, at any time since the eleventh day of October, 1939, been in Ceylon or, being a corporation, he is, or has, at any time since the eleventh day of October, 1939, been resident in Ceylon, and
- (b) that he is entitled (whether actually or contingently) to receive a payment in foreign currency to which this regulation applies,

shall, except with permission granted by the Controller, do, or refrain from doing, any act with intent to secure that—

- (i.) the receipt by him of the whole or any part of the payment in that currency is delayed ;
- (ii.) the payment ceases, in whole or in part, to be receivable by him, or receivable in that currency :

Provided that nothing in this paragraph shall impose on any person any obligation, in relation to any debt arising in the carrying on of any trade or business, to procure the payment thereof at an earlier time than is customary in the ordinary course of that trade or business.

Where, under regulation 2 of these regulations, the prescribed manners of payment for goods exported to a destination in any territory to which that regulation applies include payment in sterling, the foregoing provisions of this paragraph shall apply in relation to payments in sterling for goods exported to a destination in that territory as they apply in relation to payments in any foreign currency which is legal tender in that territory.

(2c) Where the conditions specified in sub-paragraphs (a) and (b) of the last preceding paragraph are fulfilled in the case of any person, the Governor may give to that person, or to any other person who appears to the Governor to be concerned, such directions as appear to the Governor to be expedient for the purpose of expediting the receipt of the payment in question, and, without prejudice to the generality of the foregoing provisions of this paragraph may direct that these shall be assigned to the Controller or to a person specified in the directions, the right to receive the payment or to enforce any security therefor.

Where any right to payment is assigned in accordance with this paragraph, the Deputy Financial Secretary shall, on behalf of the Crown, pay to the person assigning the right such sum in consideration of the net sum recovered by the Crown in respect of the right assigned as may be determined by or on behalf of the Controller.”

L. D.—CF 25/39

## THE EMERGENCY POWERS (DEFENCE) ACTS, 1939 AND 1940.

DEFENCE Regulation made by the Governor by virtue of the powers vested in him by the Emergency Powers (Defence) Acts, 1939 and 1940, of the Imperial Parliament, as adapted, modified and extended to Ceylon by the Emergency Powers (Colonial Defence) Order in Council, 1939, and the Emergency Powers (Colonial Defence) (Amendment) Order in Council, 1940.

By His Excellency's command,  
E. R. SUDBURY,  
Secretary to the Governor.

Colombo, April 2, 1941.

## REGULATION.

The Defence (Finance) Regulations published in *Gazette* No. 8,509 of September 19, 1939, as last amended by the regulation published in *Gazette* No. 8,702 of January 17, 1941, are hereby further amended as follows:—

- (1) in regulation 5A, by the insertion in paragraph (1) (b) after the words "make any payment to" of the words "or by the Order or on behalf of" and by the addition at the end of the said paragraph of the following proviso:—
- "Provided that (without prejudice to the provisions of paragraph (1) of regulation 5B) this paragraph shall not render unlawful the doing by a banker in the course of his business of any act which would not be unlawful if the words 'or by the order or on behalf of' had been omitted from sub-paragraph (b).";
- (2) by the insertion, immediately after regulation 5A, of the following new regulation which shall have effect as regulation 5AA:—
- "Blocked Accounts. 5AA. (1) In this regulation, the expression 'a blocked account' means an account opened as a blocked account in favour of any person by a banker authorized by or on behalf of the Controller to open blocked accounts; and the expression 'the banker' means, in relation to any person, a banker who opens a blocked account in favour of that person.
- (2) Where permission is granted under regulation 5A of these regulations for the payment of any sum to any person, but the permission is granted subject to the condition that the payment is made to a blocked account—
- (a) the manner in which the payment may be made shall be either—
- (i.) to the banker with a direction that it is to be credited to a blocked account of that person, which direction may, in the case of a payment by means of a cheque or warrant, be made by marking the cheque or warrant with the words 'blocked account of' (naming the person in question) or words to the same effect; or
- (ii.) by a crossed cheque or warrant drawn in favour of that person, marked with the words 'payable only to blocked account of payee' or words to the same effect;
- (b) the sum collected shall be credited by the banker to a blocked account of that person; and
- (c) the crediting of that sum to that account shall, to the extent of the sum credited, be a good discharge to the person making the payment.
- (3) Subject to any exemptions which may be granted by order of the Governor, any sum standing to the credit of a blocked account shall not be dealt with except with permission granted by or on behalf of the Controller:

Provided that, subject to compliance with the requirements of regulation 2A of the Defence (Securities) Regulations—

- (i.) the whole or any part of any such sum may, at the request of the person in whose name the account stands be invested through the banker in such securities (not being bearer securities) as may be specified in that behalf in an order of the Governor; and
- (ii.) nothing in this regulation shall be construed as restricting the manner in which the securities acquired may be dealt with:

Provided further that the whole or any part of any such sum may with the permission of the Controller be transferred to any blocked account maintained in the United Kingdom under and in accordance with the Defence Regulations or other law for the time being in force in that behalf in that country.

- (4) It is hereby declared that where—
- (a) a sum is due from any person to any other person but under regulation 5A of these regulations payment thereof cannot lawfully be made except with permission granted by the Controller; and
- (b) such permission is granted, but is granted subject to the condition that the payment is made to a blocked account; and
- (c) the person to whom the sum is payable nominates such an account to the person by whom the sum is payable, the last-mentioned person is under a duty to the other person to make the payment to that blocked account."
- (3) in regulation 5B and in the marginal note to that regulation, by the substitution, for the expression "regulations 5 and 5A" wherever it occurs therein, of the following:—
- "regulations 5, 5A and 5AA";
- (4) in regulation 5c, by the substitution, for the expression "under regulation 5 (1), regulation 5A (1) or regulation 5A (2)", of the following:—
- "under any of the provisions of any of the foregoing regulations".

L. D.—CF 25/39

## THE EMERGENCY POWERS (DEFENCE) ACTS, 1939 AND 1940.

DEFENCE Regulation made by the Governor by virtue of the powers vested in him by the Emergency Powers (Defence) Acts, 1939 and 1940, of the Imperial Parliament, as adapted, modified and extended to Ceylon by the Emergency Powers (Colonial Defence) Order in Council, 1939, and the Emergency Powers (Colonial Defence) (Amendment) Order in Council, 1940.

By His Excellency's command,  
E. R. SUDBURY,  
Secretary to the Governor.

Colombo, April 2, 1941.

## REGULATION.

The Defence (Securities) Regulations published in *Gazette Extraordinary* No. 8,596 of March 28, 1940, as last amended by the regulation published in *Gazette* No. 8,702 of January 17, 1941, are hereby further amended in regulation 2c, by the omission from paragraph (1), of the following words:—

"and in accordance with such conditions as the Governor may impose."