



THE
CEYLON GOVERNMENT
GAZETTE

EXTRAORDINARY

No. 8,688 — SATURDAY, NOVEMBER 30, 1940.

Published by Authority.

PART II.—LEGAL.

PASSED ORDINANCES.

Ordinance enacted by the Governor of Ceylon, with the advice and consent of the State Council thereof.

No. 26 of 1940.

L. D.—O 49/40

An Ordinance to amend the Tea Control Ordinance.

A. CALDECOTT.

BE it enacted by the Governor of Ceylon, with the advice and consent of the State Council thereof, as follows:—

1. This Ordinance may be cited as the Tea Control (Amendment) Ordinance, No. 26 of 1940, and shall come into operation on the first day of December, 1940.

2. Section 6 of the Tea Control Ordinance, (hereinafter referred to as "the principal Ordinance"), is hereby repealed and the following new section is substituted therefor:—

6. (1) For the purposes of this Ordinance, the Governor shall appoint not less than ten persons all of whom shall form a panel from which each Board of Appeal shall be constituted as hereinafter provided.

(2) Every Board of Appeal shall consist of three persons and at least one of such persons shall be an Advocate or Proctor of the Supreme Court of not less than ten years' standing.

3. Section 7 of the principal Ordinance is hereby amended by the substitution of the words "a Board of Appeal" for the words "the Board of Appeal" where those words occur collectively—

(a) for the first time in sub-section (1) of that section;
(b) in paragraph (d) of sub-section (2) of that section; and
(c) in sub-section (3) of that section.

Cap. 299,
Vol. VI.,
p. 387.

Short title
and date of
operation.

Replacement
of section 6
of Chapter 299.

Boards of
Appeal.

Amendment of
section 7 of
the principal
Ordinance.

Amendment of sections 10, 11, 14 and 15 of the principal Ordinance.

Insertion of new section 11A in the principal Ordinance.

Registration of manufacturers and exporters.

4. Sections 10, 11, 14 and 15 of the principal Ordinance are hereby amended, by the substitution for the words "the Board of Appeal" where those words occur collectively in each of those sections, of the words "a Board of Appeal".

5. The following new section is hereby inserted immediately after section 11 of the principal Ordinance and shall have effect as section 11A of that Ordinance:—

11A. (1) The Controller shall keep a register of manufacturers and a register of exporters.

(2) Any person who desires to be registered as a manufacturer or as an exporter shall apply to the Controller for registration. Every such application shall be made in the prescribed form.

(3) Every return made to the Controller by a manufacturer or an exporter under the Tea (Registration of Manufacturers and Exporters) Regulations, 1940, shall be deemed to be an application made under this section for registration as a manufacturer or as an exporter, as the case may be; and every person registered under those regulations as a manufacturer or as an exporter prior to the first day of December, 1940, shall be deemed to be a manufacturer or an exporter, as the case may be, registered under this section.

(4) A registered proprietor or any other person may be registered both as a manufacturer and as an exporter.

(5) The Controller shall decide whether any person shall be registered as a manufacturer or as an exporter.

(6) The Controller may cancel the registration of any person who is registered or is deemed to be registered under this section—

(a) if the Controller is satisfied that such person has ceased to be a manufacturer or an exporter, as the case may be; or

(b) if such person has, in any return under the Tea (Registration of Manufacturers and Exporters) Regulations, 1940, or in any application under this section, made any statement or furnished any particulars which are untrue or incorrect; or

(c) if such person has acted in contravention of, or has failed to comply with, any provision of this Ordinance or of any regulation.

(7) An appeal shall lie to a Board of Appeal—

(a) against any decision of the Controller under sub-section (5);

(b) against the cancellation of the registration of any person under sub-section (6).

Amendment of section 17 of the principal Ordinance.

Insertion of new section 19A in the principal Ordinance.

The Coupon Credit Bank.

6. Section 17 of the Principal Ordinance is hereby amended in the proviso to paragraph (b) of sub-section (4) of that section by the substitution, for the words "tea coupons", of the words "coupon credits".

7. The following new section is hereby inserted immediately after section 19 of the principal Ordinance and shall have effect as section 19A of that Ordinance:—

19A. (1) On the first day of December, 1940, there shall be established a Coupon Credit Bank.

(2) The Controller shall be responsible for the maintenance and management of the Bank in accordance with the provisions of this Ordinance and the regulations made thereunder.

(3) The Controller shall open in the Bank a separate account in the name of every person who is for the time being registered under this Ordinance as the proprietor of an estate, or as a manufacturer, or as an exporter.

(4) A separate account shall be kept and maintained in the Bank in the name of the Controller.

8. Section 20 of the principal Ordinance is hereby repealed and the following new section is substituted therefor:—

20. (1) On and after the first day of December, 1940, tea coupons shall be issued only to the registered proprietors of small holdings; and the registered proprietors of estates shall, in lieu of receiving tea coupons, be entitled on and after that date to have their respective accounts in the Bank credited with coupon credits as hereinafter provided.

(2) Every tea coupon shall have imprinted on the face thereof the number of pounds of made tea represented by that coupon.

(3) Every coupon credit in the Bank shall be expressed as a credit for a specified number of pounds of made tea.

(4) Subject to the provisions of sub-section (7), the registered proprietor of an estate shall be entitled to receive from the Controller, in respect of any period of assessment, a coupon credit in the Bank equivalent to the amount determined to be the exportable maximum of that estate for that period.

Replacement of section 20 of the principal Ordinance.

Tea coupons and coupon credits.

(5) Subject to the provisions of sub-section (7), the registered proprietor of a small holding shall be entitled to receive from the Controller, in respect of any period of assessment, tea coupons representing the amount determined to be the exportable maximum of that small holding for that period.

(6) The registered proprietor of an estate or small holding shall also be entitled to receive from the Controller, in respect of any period of assessment, a coupon credit in the Bank or tea coupons, as the case may be, equivalent to or representing the amount, if any, allocated to him in respect of that period under section 17 (4) (b).

(7) In anticipation of the determination of the exportable maximum of any estate or small holding for any period of assessment, the Controller may, at such times and in such quantities as he may in his discretion determine—

(a) in the case of an estate, grant to the registered proprietor of that estate coupon credits in the Bank which shall in the aggregate be equivalent to the amount estimated by the Controller to be the probable exportable maximum of that estate for that period of assessment ;

(b) in the case of a small holding, issue to the registered proprietor of that small holding tea coupons representing in the aggregate the amount estimated by the Controller to be the probable exportable maximum of that small holding for that period of assessment.

The amount of any coupon credit granted or of any tea coupons issued under the preceding provisions of this sub-section to the registered proprietor of any estate or of any small holding shall be deducted from the amount of the coupon credit to which the proprietor of that estate is entitled under sub-section (4) or from the tea coupons to which the proprietor of that small holding is entitled under sub-section (5), as the case may be.

(8) Subject to the provisions of section 20A (6), no coupon credit other than a coupon credit granted by the Controller under the preceding provisions of this section shall at any time be made to the account of any registered proprietor in the Bank.

(9) Subject to the provisions of sections 20D, 20G and 23 (1), every coupon credit in the Bank shall be deemed to be cancelled, and every tea coupon shall cease to be valid, at midnight on the thirty-first day of March in the period of assessment in which such credit or coupon is granted or issued.

9. The following new sections are hereby inserted immediately after new section 20 of the principal Ordinance and shall have effect as sections 20A, 20B, 20C, 20D, 20E, 20F and 20G, respectively, of that Ordinance :—

20A. (1) No tea coupon issued under section 20 to the registered proprietor of a small holding shall be sold or transferred to, or purchased by, any person other than a registered manufacturer.

(2) A registered manufacturer who purchases any tea coupon shall forthwith surrender that coupon to the Bank and shall, subject to the provisions of sub-sections (8) and (9) of section 20B, be entitled to a coupon credit of an amount equivalent to that imprinted on the face of that coupon.

(3) No coupon credit granted under section 20 to the registered proprietor of an estate shall be sold or transferred, in whole or in part, by that proprietor to any person other than a registered manufacturer; and no such coupon credit shall be purchased, in whole or in part, from that proprietor by any person other than a registered manufacturer.

(4) No coupon credit held in the Bank by any registered manufacturer shall be sold or transferred, in whole or in part, by that manufacturer to any person other than a registered exporter; and no such coupon credit shall be purchased, in whole or in part, from that manufacturer by any person other than a registered exporter.

(5) No coupon credit held in the Bank by any registered exporter shall be sold or transferred, in whole or in part, by that exporter to any person other than a registered exporter; and no such coupon credit shall be purchased, in whole or in part, from that exporter by any person other than a registered exporter.

(6) Any registered proprietor of an estate, or any registered manufacturer or registered exporter may purchase any coupon credit sold by the Controller under section 17 (4) (b).

(7) Every sale or transfer of a coupon credit shall be effected in writing in such form as the Controller may approve for the purpose.

Insertion of
new sections
20A to 20G
in the
principal
Ordinance.

Transactions
in tea
coupons and
coupon
credits.

Limit of
coupon credit
of registered
manufacturer.

20B. (1) The limit of the coupon credit of a registered manufacturer during the period commencing on the date of his registration and ending on the thirty-first day of March, 1941, shall, subject to any variation made by a Board of Appeal as hereinafter provided, and subject to the provisions of sub-section (3)—

(a) in the case of a manufacturer who has carried on business as such throughout the period of twenty-four months ended on the thirty-first day of October, 1940, be an amount equivalent to five times the average monthly output of made tea from his factory or factories for that period of twenty-four months; or

(b) in any other case, be an amount equivalent to five times such amount as the Controller may determine to be the average monthly output of made tea from the factory or factories of that manufacturer.

(2) The limit of the coupon credit of a registered manufacturer during each period of three months in any period of assessment, other than the period of assessment ending on the thirty-first day of March, 1941, shall, subject to any variation made by the Controller or by a Board of Appeal as hereinafter provided, and subject to the provisions of sub-section (3)—

(a) in the case of a manufacturer who has carried on business as such throughout the period of twenty-four months ended on the thirty-first day of October, 1940, be an amount equivalent to four times the average monthly output of made tea from his factory or factories during that period of twenty-four months;

(b) in any other case, be an amount equivalent to four times such amount as the Controller may determine to be the average monthly output of made tea from the factory or factories of that manufacturer.

(3) Where any person who is the registered proprietor of any estate or estates is also a registered manufacturer, the limit of the coupon credit of that person in his capacity as a registered manufacturer shall not, for any period, be less than an amount which bears to the probable exportable maximum of the estate or estates as estimated by the Controller under section 20, the same proportion as the number of complete months in that period bears to twelve.

(4) As soon as may be after the registration of a manufacturer, the Controller shall by order determine the limit of the coupon credit of that manufacturer and notify that manufacturer of the amount of such limit.

(5) The Controller may, at any time in any period of assessment, including the period of assessment ending on the thirty-first day of March, 1941, by order reduce the amount of the limit of the coupon credit of any registered manufacturer, if he is satisfied, after such inquiry as he may deem necessary, that such amount is excessive, having regard to the actual output of made tea from the factory or factories of that manufacturer and to all the other circumstances of the case. Every such order shall be notified by the Controller to the manufacturer affected thereby.

(6) The Controller may, at any time in any period of assessment, including the period of assessment ending on the thirty-first day of March, 1941, upon application made to him in that behalf by any registered manufacturer, by order increase the amount of the limit of the coupon credit of that manufacturer if he is satisfied, after such inquiry as he may deem necessary, that such amount is insufficient, having regard to the actual output of made tea from the factory or factories of that manufacturer and to all the other circumstances of the case. Every such order and every refusal to make any such order shall be notified by the Controller to the manufacturer affected thereby.

(7) An appeal shall lie to a Board of Appeal against any order of the Controller under sub-section (4) or sub-section (5) or sub-section (6) or against any refusal by the Controller to make an order under sub-section (6); and a Board of Appeal may, upon any such appeal, confirm the order of the Controller or increase or reduce the amount of the limit of the coupon credit of the manufacturer by whom the appeal is preferred.

(8) The aggregate of the coupon credits which may be credited to the account in the Bank of any registered manufacturer during the period commencing on the date of his registration and ending on the thirty-first day of March, 1941, shall not exceed the amount of the limit of the coupon credit of that manufacturer for that period.

(9) (a) In this sub-section, "period of three months" means any period of three months ending on the thirtieth

day of June, the thirtieth day of September, the thirty-first day of December, or the thirty-first day of March, in any period of assessment.

(b) The aggregate of the coupon credits which may be credited to the account in the Bank of any registered manufacturer during any period of three months in any period of assessment, other than the period of assessment ending on the thirty-first day of March, 1941, shall not exceed the amount of the limit of the coupon credit of that manufacturer for that period of three months.

(c) Where at the end of any period of three months in any period of assessment, other than the period of three months ending on the thirty-first day of March, any coupon credits credited to the account of any registered manufacturer have not been sold or transferred to an exporter, such coupon credits may be retained in the account of that manufacturer notwithstanding that the aggregate of such coupon credits and of the coupon credits credited to that account during the succeeding period of three months, may exceed the amount of the limit of the coupon credit of that manufacturer.

20c. (1) The limit of the coupon credit of a registered exporter during the period commencing on the date of his registration and ending on the thirty-first day of March, 1941, shall, subject to any variation made by a Board of Appeal as hereinafter provided—

Limit of
coupon
credit of
exporter.

(a) in the case of an exporter who has carried on business as such throughout the period of twenty-two months ended on the thirty-first day of October, 1940, be an amount equivalent to one twenty-second part of the total amount of made tea exported by that exporter during that period of twenty-two months;

(b) in any other case, be an amount equivalent to such amount as the Controller may determine to be the average amount of made tea likely to be exported by that exporter during each month in the period commencing on the date of his registration and ending on the thirty-first day of March, 1941.

(2) The limit of the coupon credit of a registered exporter at any time in any period of assessment, other than the period of assessment ending on the thirty-first day of March, 1941, shall, subject to any variation made by the Controller or by a Board of Appeal as hereinafter provided—

(a) in the case of an exporter who has carried on business as such throughout the period of twenty-two months ended on the thirty-first day of October, 1940, be an amount equivalent to one twenty-second part of the total amount of made tea exported by that exporter during that period of twenty-two months;

(b) in any other case, be an amount equivalent to such amount as the Controller may determine to be the average amount of made tea likely to be exported by that exporter during each month in any such period of assessment.

(3) As soon as may be after the registration of an exporter the Controller shall, by order, determine the limit of the coupon credit of that exporter and notify that exporter of the amount of such limit.

(4) The Controller may, at any time in any period of assessment, including the period of assessment ending on the thirty-first day of March, 1941, by order reduce the amount of the limit of the coupon credit of any registered exporter if he is satisfied, after such inquiry as he may deem necessary, that such amount is excessive, having regard to the amount of made tea actually exported by that exporter and to all the other circumstances of the case. Every such order shall be notified by the Controller to the exporter affected thereby.

(5) The Controller may, at any time in any period of assessment, including the period of assessment ending on the thirty-first day of March, 1941, upon application made to him in that behalf by any exporter, by order increase the amount of the limit of the coupon credit of that exporter if he is satisfied, after such inquiry as he may deem necessary, that such amount is insufficient, having regard to the amount of made tea actually exported by that exporter and to all the other circumstances of the case. Every such order, and every refusal to make any such order, shall be notified by the Controller to the exporter affected thereby.

(6) An appeal shall lie to a Board of Appeal against any order of the Controller under sub-section (3) or sub-section (4) or sub-section (5) or against any refusal by the Controller

to make an order under sub-section (5); and a Board of Appeal may, upon any such appeal, confirm the order of the Controller or increase or reduce the amount of the limit of the coupon credit of the exporter by whom the appeal is preferred.

(7) The coupon credit in the Bank of any registered exporter shall not at any time exceed the limit of the coupon credit of that exporter for the time being.

Invalidation
of tea coupons
and coupon
credits.

20D. (1) The Controller may, by notification published in the *Gazette* and in three consecutive issues of one English, one Sinhalese and one Tamil newspaper circulating in Ceylon, prescribe, in respect of any tea coupon issued or coupon credit granted for any period of assessment, the date within that period of assessment on and after which that coupon shall cease to be valid or that coupon credit shall be deemed to be cancelled.

(2) Any notification under sub-section (1) shall be published in the *Gazette* not less than one month before the date prescribed by the Controller in that notification.

(3) Where at any time in any period of assessment any coupon credit in the Bank of any registered manufacturer or registered exporter is deemed to be cancelled by reason of a notification published under sub-section (1), that manufacturer or exporter, as the case may be, may, on application made to the Controller and upon proof to the satisfaction of the Controller that the manufacturer or exporter has in his possession an amount of made tea equivalent to the amount or any part of the amount of the coupon credit so deemed to be cancelled, be granted by the Controller a special coupon credit in the Bank equivalent to the amount of such made tea; and, notwithstanding anything in any provision of this Ordinance other than this sub-section, any special coupon credit so granted—

(a) shall be valid until the expiry of a period of one month reckoned from the date on which such special coupon credit is granted or until the expiry of the period of assessment in which such special coupon credit is granted, whichever is earlier; and

(b) may, where any such special coupon credit is granted to a registered manufacturer, be sold or transferred by that manufacturer to a registered exporter; and

(c) may, where any such special coupon credit is granted to a registered exporter, be sold or transferred by that exporter to any other registered exporter or surrendered to the Controller for the purpose of obtaining an export licence under section 21.

Maximum
price of tea
coupons
and coupon
credits.

20E. (1) The Executive Committee may, by Order published under the hand of the Minister in the *Gazette*, and in three consecutive issues of one English, one Sinhalese and one Tamil newspaper circulating in Ceylon, direct that from a date specified in the Order no tea coupon or coupon credit referred to or described therein shall be bought or sold at a price higher than such maximum price as may be prescribed in the Order.

(2) Where an Order has been made under sub-section (1), no person shall at any time, while that Order is in force, buy or sell any tea coupon or coupon credit referred to or described therein at a price higher than the maximum price prescribed in that Order.

Purchase
and sale of
tea coupons
and coupon
credits by
Controller.

20F. (1) Notwithstanding anything in any provision of this Ordinance other than this section, it shall be lawful—

(a) for the Controller to purchase from any person any tea coupon issued prior to the first day of December, 1940, in respect of the period of assessment commencing on the first day of April, 1940, and to purchase from the registered proprietor of a small holding any tea coupon issued to that proprietor at any time after the first day of December, 1940;

(b) for the Controller to purchase any coupon credit from any registered proprietor, registered manufacturer or registered exporter;

(c) for any person to sell to the Controller any tea coupon issued before the first day of December, 1940, and for the registered proprietor of a small holding to sell to the Controller any tea coupon issued to that proprietor after that day;

(d) for any registered proprietor, registered manufacturer or registered exporter to sell or transfer any coupon credit to the Controller;

- (e) for the Controller to convert any tea coupon purchased by or transferred to him into a coupon credit in the Bank of an amount equivalent to the amount of made tea represented by that coupon ;
- (f) for the Controller to sell to any registered manufacturer or registered exporter, and for any such manufacturer or exporter to purchase from the Controller, any coupon credit which may have been credited to the account of the Controller in the Bank.

(2) The price at which any tea coupon may be purchased by the Controller and the price at which any coupon credit may be sold by the Controller in any particular case shall be such price as the Controller may deem to be fair and reasonable in the circumstances of that case.

(3) All expenses incurred by the Controller in connexion with the purchase of any tea coupon or coupon credit or the sale or transfer of any coupon credit may be defrayed from the Tea Control Fund or from such other funds as may be available to the Controller for the purpose of such purchase, sale or transfer.

(4) All moneys realized by the Controller from the sale of any coupon credits shall be credited to the Tea Control Fund or otherwise disposed of in such manner as may be prescribed.

20g. (1) A registered manufacturer who, at the end of any period of assessment, has any coupon credit in his account in the Bank, may, upon application made to the Controller within fourteen days next following the end of that period, be granted a special permit authorising him to transfer such coupon credit or any part thereof to a registered exporter :

Special permit to transfer cancelled coupon credits of manufacturer.

Provided that no such special permit shall be granted unless it is established to the satisfaction of the Controller—

- (a) that the manufacturer has in his possession an amount of made tea equivalent to the amount of the coupon credit in respect of which the application for a permit is made ; and
- (b) that such made tea was produced in the period of assessment in which that coupon credit was credited to the account of that manufacturer.

(2) Every special permit granted under sub-section (1) shall cease to be valid at midnight on the thirtieth day of April next following the date on which such permit is granted.

10. Section 21 of the principal Ordinance is hereby amended as follows :—

Amendment of section 21 of the principal Ordinance.

- (1) by the repeal of sub-section (1) of that section and by the substitution therefor of the following new sub-section :—

“(1) Any registered exporter shall be entitled in any period of assessment to obtain from the Controller an export licence authorising the export from Ceylon during that period of a specified amount of made tea upon the surrender to the Controller of an equivalent amount of coupon credits which have been credited in that period to the account of that exporter in the Bank. Every coupon credit so surrendered shall be deemed to be cancelled.”;

- (2) by the repeal of sub-section (3) of that section and by the substitution therefor of the following new sub-section :—

“(3) An export licence shall be personal to the registered exporter to whom such licence is issued and shall not be sold, transferred, negotiated or otherwise disposed of by that exporter.”

11. Section 23 of the principal Ordinance is hereby amended by the repeal of sub-section (1) of that section and the substitution therefor of the following new sub-section :—

Amendment of section 23 of the principal Ordinance.

- (1) (a) A registered exporter who, at the end of any period of assessment, has any coupon credit in his account in the Bank, may, on application made to the Controller within fourteen days next following the end of that period and upon surrender to the Controller of that coupon credit, obtain from the Controller a special export licence authorising the export from Ceylon of an amount of made tea equivalent to the amount of that coupon credit :

Provided that no such special export licence shall be issued upon the surrender of the coupon credit of any exporter unless it is established to the satisfaction of the Controller—

- (i) that the exporter has in his possession an amount of made tea equivalent to the amount of the coupon credit ; and

(ii) that such made tea was produced in the period of assessment in which that coupon credit was credited to the account of that exporter.

(b) A registered exporter who has, at any time before the first day of May in any period of assessment, purchased or obtained from a registered manufacturer any coupon credit which that manufacturer is authorised to transfer by a special permit issued under section 20c, may, on application made to the Controller within fourteen days next following the date on which such coupon credit is transferred to his account in the Bank, and upon surrender to the Controller of that coupon credit, obtain from the Controller a special export licence authorising the export from Ceylon of an amount of made tea equivalent to the amount of that coupon credit :

Provided that no such special export licence shall be issued upon the surrender of any coupon credit so purchased or obtained unless it is established to the satisfaction of the Controller—

- (i) that the exporter has in his possession an amount of made tea equivalent to the amount of such coupon credit ; and
- (ii) that such made tea was produced in the period of assessment immediately preceding that in which such coupon credit was purchased or obtained by that exporter.

Replacement of section 24 of the principal Ordinance.

Tea coupons, &c. to be valuable securities.

Insertion of new section 32A in the principal Ordinance.

Further powers of Controller to call for information.

12. Section 24 of the principal Ordinance is hereby repealed and the following new section is substituted therefor :—

24. Every tea coupon, every export licence and every special export licence shall be deemed to be a valuable security within the meaning of the Penal Code.

13. The following new section is hereby inserted immediately after section 32 of the principal Ordinance and shall have effect as section 32A of that Ordinance :—

32A. It shall be lawful for the Controller at any time to direct any person who applies to be, or is, registered as a manufacturer or as an exporter—

- (a) to furnish before a specified date such information as the Controller may require in respect of such application or registration or such explanation as the Controller may require in respect of any information furnished by such person ; or
- (b) to produce or cause to be produced before a specified date such documentary or other evidence as the Controller may require for the purpose of verifying any information or explanation furnished by such person.

Amendment of section 35 of the principal Ordinance.

14. Section 35 of the principal Ordinance is hereby amended in paragraph (d) of sub-section (1) of that section by the substitution, for the words "makes any declaration", of the words "makes any application or declaration".

Amendment of section 39 of the principal Ordinance.

15. Section 39 of the principal Ordinance is hereby amended as follows :—

- (1) by the substitution, for the words "the Board of Appeal" wherever those words occur collectively in that section, of the words "a Board of Appeal" ; and
- (2) by the substitution, for the words "either Board", of the words "the Board or of a Board of Appeal".

Amendment of section 40 of the principal Ordinance.

16. Section 40 of the principal Ordinance is hereby amended as follows :—

- (1) by the substitution, for the words "registered proprietor" wherever those words occur collectively in that section, of the words "registered proprietor, registered manufacturer or registered exporter" ; and
- (2) by the substitution, for the words "such proprietor" wherever those words occur collectively in that section, of the words "such proprietor, manufacturer or exporter".

Amendment of section 42 of the principal Ordinance.

17. Section 42 of the principal Ordinance is hereby amended in sub-section (2) of that section as follows :—

- (1) by the substitution, in paragraphs (f) and (g) of that sub-section, for the word "producers", of the words "producers, manufacturers" ;
- (2) by the insertion, immediately after paragraph (f) of that sub-section, of the following new paragraph :—
 "(ff) the method and basis of the determination of the limit of the coupon credit in the Bank of manufacturers and exporters ;"

(3) by the insertion immediately after paragraph (g) of that sub-section of the following new paragraph :—

“(gg) the management, administration and control of the Coupon Credit Bank and the disposal of coupon credits in that Bank on the death, insolvency or incapacity of the holder of such credits ;”

18. Section 46 of the principal Ordinance is hereby amended as follows :—

Amendment of section 46 of the principal Ordinance.

(1) by the re-numbering of that section as section 46 (1) ;
 (2) by the insertion immediately before the definition of “ Board ”, of the following new definition :—

“ “ Bank ” means the Coupon Credit Bank established under section 19A ;”

(3) in the definition of “ Board of Appeal ”, by the substitution for the words “ the Board of Appeal ”, of the words “ a Board of Appeal ” ;

(4) by the insertion, immediately after the definition of “ exportable maximum ”, of the following new definition :—

“ “ exporter ” means any person who carries on the business of exporting made tea from Ceylon, and includes any person who carries on such business together with any other business ;”

(5) by the insertion, immediately after the definition of “ made tea ”, of the following new definition :—

“ “ manufacturer ” means any person who, being lawfully in possession of a tea factory, whether as owner, lessee, usufructuary mortgagee or otherwise, manufactures made tea at that factory ;” ; and

(6) in the definition of “ registered ”, by the substitution for the words “ registered under the provisions of the Ordinance ”, of the words “ registered or deemed to be registered under any provision of this Ordinance ”.

19. (1) The regulations relating to the Tea Coupon Bank published in *Gazette* No. 8,561 of December 22, 1939, as amended by the regulation published in *Gazette* No. 8,576 of February 16, 1940, are hereby rescinded ; and the Tea Coupon Bank referred to in those regulations is hereby abolished.

Abolition of Tea Coupon Bank, transfer of credits, &c.

(2) Notwithstanding anything in sub-section (1) or in the provisions of the principal Ordinance as amended by this Ordinance—

(a) credits to coupon accounts in the Tea Coupon Bank referred to in sub-section (1) may, upon application made to the Controller on or before the fourteenth day of December, 1940, in such form as the Controller may provide for the purpose, be transferred to the Coupon Credit Bank established under the new section 19A of the principal Ordinance, and may, subject to the provisions of sub-section (3), be credited as coupon credits to the account of any registered proprietor, registered manufacturer or registered exporter ;

(b) any tea coupon issued prior to the first day of December, 1940, may be surrendered to the Controller on or before the fourteenth day of December, 1940, and upon such surrender a coupon credit of an amount equivalent to the number of pounds of made tea represented by the coupon so surrendered may, subject to the provisions of sub-section (3), be credited to the account in the Coupon Credit Bank of any registered proprietor, registered manufacturer or registered exporter.

(3) The aggregate of the amounts which may, under sub-section (2), be credited, whether by transfer of credits from the Tea Coupon Bank or on surrender of tea coupons—

(a) to the account in the Coupon Credit Bank of any registered proprietor, shall not exceed an amount equivalent to three-tenths of the amount represented by the tea coupons issued to that proprietor prior to the first day of December, 1940, in respect of the period of assessment commencing on the first day of April, 1940 ;

(b) to the account in the Coupon Credit Bank of any registered manufacturer or registered exporter, shall not exceed the amount of the limit of the coupon credit of that manufacturer or exporter, as the case may be.

Reference in written contracts to tea coupons to be construed as including a reference to coupon credits.

Registration of forward contracts and special accounts in the Coupon Credit Bank.

20. In any case where the terms of a contract relating to any tea coupon have, prior to the twenty-third day of November, 1940, been reduced to the form of a document by or by the consent of the parties to that contract or in compliance with the requirements of any written law, any reference in any such document to a tea coupon shall, on and after the first day of December, 1940, be deemed to include a reference to a coupon credit in the Bank; and such document may, on and after that date, be read and construed accordingly.

21. (1) In this section, "forward contract" means a contract in writing—

- (a) executable, in whole or in part, at any time or on any occasion on or after the first day of December, 1940;
- (b) entered into by any person prior to the twenty-third day of November, 1940; and
- (c) containing an undertaking by that person to sell, deliver or transfer to, or purchase from, some other person a specified or ascertainable quantity of tea coupons.

(2) The Controller shall keep a register of forward contracts.

(3) Any party to any forward contract may apply to the Controller on or before the tenth day of December, 1940, for the registration of that contract. Every such application shall be made in a form approved by the Controller for the purpose.

(4) Any person aggrieved by the refusal of the Controller to register any forward contract may appeal against such refusal to a Board of Appeal.

(5) Upon the registration of any forward contract, the Controller shall open in the Bank a separate account, (hereinafter referred to as a "special account"), in the name of any person who, if this Ordinance had not been enacted, would have become entitled under such contract to the transfer or delivery to him of any tea coupons.

(6) The aggregate of the coupon credits which may be credited to the special account in the Bank of any person during any period of assessment shall not exceed the amount represented by the tea coupons to the transfer or delivery of which that person would, if this Ordinance had not been enacted, have been entitled, during that period of assessment, under the registered forward contract in respect of which such special account was opened in the Bank.

(7) (a) The proprietor of a small holding may surrender tea coupons to the credit of the special account of any person in the Bank; and, upon such surrender, a coupon credit equivalent to the amount of made tea represented by the coupons so surrendered shall, subject to the provisions of sub-section (6), be credited to that special account.

(b) The whole or any part of the coupon credit of any registered proprietor of an estate may, subject to the provisions of sub-section (6), be credited to the special account of any person in the Bank. Every such transfer of a coupon credit shall be effected in writing in such form as the Controller may approve for the purpose.

(8) Save as provided in sub-section (7), no coupon credit shall be credited to the special account of any person in the Bank.

(9) No coupon credit to the credit of the special account of any person in the Bank shall be sold or transferred to, or purchased by, any person other than a registered manufacturer or registered exporter. Every such sale or transfer shall be effected in writing in such form as the Controller may approve for the purpose.

22. The provisions of sections 19 to 21 of this Ordinance shall be read and construed as one with the principal Ordinance as amended by sections 2 to 18 of this Ordinance:

Provided that the provisions of sections 19 to 21 of this Ordinance shall have effect notwithstanding any inconsistency between such provisions and those of the principal Ordinance as amended by sections 2 to 18 of this Ordinance.

Passed in Council the Twenty-seventh day of November, One thousand Nine hundred and Forty.

D. C. R. GUNAWARDANA,
Clerk of the Council.

Assented to by His Excellency the Governor the Twentieth day of November, One thousand Nine hundred and Forty.

E. R. SUDBURY,
Secretary to the Governor.

Construction and effect of sections 19 to 21 of this Ordinance.