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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2323/41 - 2023 මාර්තු මස 17 වැනි සිකුරාදා - 2023.03.17

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PART I : SECTION (I) — GENERAL

Government Notifications

L. D.- B. 6/2022

THE COMPANIES ACT, No. 07 OF 2007

REGULATIONS made by the Minister of Industries under Section 527 read with Section 222 of the Companies Act, No. 07 of 2007.

MINISTER OF INDUSTRIES.

Colombo,
13th March, 2023

Regulations

1. These regulations may be cited as the Companies (Secretaries) Regulations, No. 1 of 2023
2. The provisions of these regulations shall apply to a secretary of a company having a stated capital of rupees five hundred thousand or more, or an annual turnover of rupees one million or more.
3. (1) A person shall not be qualified to act as a secretary of a company unless such person is –
 - (a) above eighteen years of age;
 - (b) a citizen of Sri Lanka;



- (c) a holder of a Certificate of Practice as a secretary to a company issued under these regulations (in these regulations referred to as the “Certificate of Practice”); and
- (d) an Attorney-at-law of the supreme Court of the Democratic Socialist Republic of Sri Lanka; or
- (e) a member of –
- (i) the Institute of Chartered Accountants of Sri Lanka established under section 2 of the Institute of Chartered Accountants Act, No. 23 of 1959;
- (ii) the Institute of Chartered Corporate Secretaries of Sri Lanka incorporated under the provisions of the Companies Act, No. 07 of 2007;
- (iii) the Chartered Institute of Management Accountants of the United Kingdom;
- (iv) the Institute of Certified Management Accountants of Sri Lanka established under the Institute of Certified Management Accountants of Sri Lanka Act, No. 23 of 2009; or
- (v) the Chartered Governance Institute of the United Kingdom and Ireland.
- (2) A body corporate shall not be qualified to Act as a secretary of a company unless such body corporate has been incorporated in Sri Lanka –
- (a) the Articles of Association of a such company specifically mentions that such company is engaged in company secretarial practice;
- (b) majority of the shareholding of such company is held by citizens of Sri Lanka ; and
- (c) one of the directors of the company holds a Certificate of Practice.
- (3) A firm shall not be qualified to act as a secretary of a company unless –
- (a) in the case of a sole proprietorship,
- (i) the Business Registration Certificate of the sole proprietorship specifically mentions that it is engaged in company secretarial practice; and
- (ii) the sole proprietor is a citizen of Sri Lanka and holds a Certificate of Practice; or
- (b) in the case of a partnership,
- (i) the Business Registration Certificate of such partnership specifically mentions that the partnership is engaged in company secretarial practice; and
- (ii) every partner of the partnership holds a Certificate of Practice.
4. (1) A person shall be disqualified to Act as a Secretary of a Company, if such person –
- (a) has been adjudged by a competent court to be of unsound mind;
- (b) having been adjudged as insolvent or bankrupt, and has not been granted by a competent court a certificate to the effect that his insolvency or bankruptcy has arisen wholly or partly from inevitable losses or misfortune;

- (c) has been convicted by a competent court whether in Sri Lanka or elsewhere, of any crimes involving moral turpitude;
 - (d) ceases to have the qualifications prescribed in sub-regulation (1) of regulation 3;
 - (e) has been removed from the register by the Registrar.
 - (2) Where a person, a body corporate, or a firm. Acts as an Auditor, such person, such body corporate, a director and an employee of such body corporate or a member of such firm shall not act as a secretary of a company.
- (5) (1) A person shall not act as a secretary of a company except under the authority of a Certificate of Practice issued on that behalf by the Registrar.
- (2) A person who wishes to obtain a Certificate of Practice shall make an application online in the Form set out on the official website of the Department of Registrar of Companies together with certificates including the certificate to the effect that the applicant has followed a programme designed to provide Continued Professional Development in the field of company secretarial work and shall accompany by a fee specified in the Schedule hereto.
- (3) Every Programme designed to provide Continued Professional Development in the field of company secretarial work shall not be less than ten hours. The Registrar may where necessary, require an applicant to furnish further information.
- (6) Upon the receipt of the application and the certificate referred to in regulation 5, the Registrar shall, on the consideration of the matters contained in the application and certificates, either issue a Certificate of Practice or for the reasons to be recorded by him refuse to issue a Certificate of Practice. The Registrar shall through the official website inform the applicant of his decision and in case of refusal to grant a Certificate of Practice, he shall state his reasons therefore.
- (7) Every Certificate of Practice issued during the period of any calendar year shall, unless revoked earlier, be valid till December 31 of the following year and shall be subject to terms and conditions specified therein.
- (8) The Registrar may revoke a Certificate of Practice issued under these regulations, if he is satisfied that the holder of the Certificate of Practice has violated any provisions of the Companies Act or regulations made thereunder or of the terms and conditions of such Certificate of Practice.
- (9) (1) A Certificate of Practice issued under these regulations shall be renewable on an application being made in that behalf to the Registrar on or before the 1st of November of each calendar year for the succeeding year together with a fee specified in the Schedule hereto.
- (2) A Certificate of Practice shall be renewed by the Registrar, only if he is satisfied that the holder of the Certificate of Practice has observed the terms and conditions of the Certificate of Practice.
- (10) (1) The Registrar shall maintain a register consisting of details of all persons to whom a Certificate of Practice has been issued. Such register shall *Inter alia* Contain the following details:-
 - (a) If it is an Individual or a sole proprietorship, the name, National Identity Card Number, Official Address, residential address, email and contact details of such individual;
 - (b) If it is a body corporate, details of the company including the registration number of the company company address, names, National Identity Card Numbers, official addresses, residential addresses, emails and contact details of directors and shareholders; or

- (c) If it is a Partnership, the registration number, names of the members and partners, address, email and contact details of such individual.
- (2) Any changes to the particulars of a secretary shall be notified to the Registrar within twenty working days from the date of such change as set out on the official website of the Department of the Registrar of Companies together with a fee specified in the Schedule hereto.
- (11) The programme designed to provide Continued Professional Development in the field of company secretarial work may be conducted by-
- a body or an organisation Specified in paragraph (d) of sub-regulation (1) of regulation 3;
 - the Bar Association of Sri Lanka; or
 - any other body or organisation listed on the official website of the Department of the Registrar of Companies by the Registrar.
- (12) (1) The Registrar shall remove the name of any person from the register if –
- such person has made an application for such removal;
 - the Certificate of Practice is revoked under regulation 8;
 - such person is dead;
 - such person is disqualified under regulation 4 of these regulations; or
 - such person is disqualified from functioning as a director under the provisions of the Companies Act, No. 07 of 2007.
- (2) When the Registrar removes the name of any person from the register, he shall forthwith notify through the website to the person concerned and publish in the *Gazette* of such removal.
- (3) The Registrar may, for good cause shown, restore the name of any person whose name has been removed from the register under sub-regulation (1).
- (4) Any person aggrieved by a decision made under these regulations by the Registrar has the right of appeal in terms of section 472 of the Companies Act, No. 07 of 2007.
- (13) The registrar shall cause to be published in the Gazette a list consisting of the names of the secretaries holding a Certificate of Practice issued under these regulations, not later than the 31st day of March every year which shall also be published in the official website of the Department of the Registrar of Companies.
- (14) Any act required by law to be performed by a secretary to a company, if purported to be performed by a person who does not hold a valid Certificate of Practice issued under these regulations, shall be invalid.
- (15) (1) The Companies (Secretaries) Regulations 1987, published in Extraordinary Gazette No. 471/6 of September 14, 1987 are hereby rescinded:

Provided however, the Practising Certificates issued under the provisions of the Companies (Secretaries) Regulations 1987 shall continue to be valid for a further period of six months from the date of operation of these regulations.

(2) A person who acts as a secretary to the company on the date of the coming into operation of these regulations shall, notwithstanding the provisions contained in regulations 2 and 3 of these regulations be permitted to continue to act as a secretary to a company for a period of six months from the date of operation of these regulations.

(3) Prior to the expiry of the period of six months referred to in sub-regulation (1), a secretary referred to in that regulation shall be required to make an application under these regulations:

Provided however, the Fee specified in the shedule hereto shall not apply to applications made under this sub-regulation.

(4) Any person who fails to register within the period of six months shall be deemed to have been deregistered as a secretary and the name of such secretary shall be removed from the register.

16. In these regulations -

“register” means a register required to be kept under these regulations; and

“Registrar” shall have the same meaning assigned to it under the Companies Act, No. 07 of 2007.

SCHEDULE

FEES

(regulations 5(2), 9(1) and 10(2))

No.	Details	Amount (Rs.)
1.	Application for a Certificate of Practice (non-refundable)	10,000
2.	Application to renew the Certificate of Practice - Individuals	2,500
	- others	5,000
3.	Changes of the details relating to the Secretary - Individuals	2,500
	- others	5,000

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