

The Mercantile Service Provident Society

RULES

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| Name and
Objects | <p>1. There shall be established, as on and from the first day of January 1940, a provident Society to be called “THE MERCANTILE SERVICE PROVIDENT SOCIETY”, the object whereof shall be to promote and encourage thrift among those who shall be members thereof and, subject to the rules, to provide every member with a sum of money the amount of which shall be ascertained and payment of which shall be made in accordance with the rules. The members of the Society and their contributors shall be bound by the rules hereinafter set forth as duly amended from time to time.</p> |
| Interpretation | <p>2. In the rules of the Society unless the context or the subject matter otherwise requires:-</p> <ul style="list-style-type: none">(i) “the Society” shall mean the Mercantile Service Provident Society established at the inaugural meeting held on the 20th day of December 1939;(ii) “the Chamber” shall mean the Ceylon Chamber of Commerce Incorporated by the Ceylon Chamber of Commerce Ordinance No. 10 of 1895;(iii) “contributor” shall mean the Chamber and every member of the Chamber who shall have been duly Registered as a contributor under the rules and shall not have ceased to be a contributor as prescribed by the rules;(iv) “member” (when used without qualification) shall mean every person who shall have been duly admitted to membership of the Society under the rules and shall not have ceased to be a member as prescribed by the rules and shall include a person declared by the rules to be a member;(v) “the Act” shall mean the Employees’ Provident Act No. 15 of 1958 and any statutory amendments thereof for the time being in force, and any regulations made thereunder for the time being in force;(vi) “earnings” shall have the same meaning as the word “earnings” as defined in the Act;(vii) “salary” shall mean only the fixed basic salary received by a member from a contributor, but does not include any acting, personal, dearness or other allowance, or overtime payment, bonus or any other form of remuneration whatsoever paid to such member;(viii) “the Committee” shall mean the Committee of management of the Society as provided for in Rule 7;(ix) “the Trustee” shall mean the custodian Trustee for the time being of the Society as provided for in Rule 17;(x) “Register” shall mean the register or other record provided for in Rule 26;(xi) “the rules” shall mean these rules dated 9th March 1978 and shall include any other rules duly adopted by the Society and for the time being in force;(xii) Words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender only shall include the feminine and vice versa. |
| Financial Year | <p>3. The financial year of the Society shall end on the 31st day of December or on such other date as the Committee may from time to time determine.</p> |
| Effective date
of rules | <p>4. These rules dated 9th February 1978 shall come into operation on the date of the General Meeting of the Society at which the same shall be adopted which date is referred to in the rules as “the effective date”.</p> |

Contributors

5.

- (i) Every person firm or company who is a contributor of the Society on the effective date shall (subject as otherwise provided in the rules) remain a contributor and be bound by the rules.
- (ii) Any person firm or company who is for the time being a member of the Chamber may (after obtaining the written approval of the Commissioner of Labour) apply to be registered as a contributor. Such application shall be made in the form appearing in the first schedule to the rules and shall be accompanied by such written approval.
- (iii) The Committee may reject such application and shall notify the applicant to that effect in writing. The Committee shall not be under any obligation to assign any reason for so doing. An applicant whose application has been rejected may make a fresh application after the lapse of six months from the date of notification of rejection.
- (iv) On the acceptance of an application by a contributor for registration, the applicant shall be informed thereof in writing and the applicant shall be registered as a contributor as on and from such date as the Committee shall approve, and on and from that date shall be subject to and bound by the rules.

Members

6.

- (i) Every person who is a member of the Society on the effective date shall (subject as otherwise provided in the rules) remain a member and be bound by the rules.
- (ii) Every person who is a monthly paid employee of a contributor (that is to say, an employee whose remuneration is paid at a monthly rate) shall be eligible for membership of the Society as from such date as his employer may approve. Every such person shall apply for membership in the form contained in the Second Schedule hereto. Such application shall be countersigned by the employer of the applicant and on its being delivered to the Committee the applicant shall be admitted to membership. The Committee shall notify the applicant in writing of such admission and the applicant shall be registered as a member as on and from the date mentioned in his application, and as on and from that date shall be subject to and bound by the rules.
- (iii) Except with the express consent in writing of his employer, no person falling within any of the following classes of employees shall be eligible for membership of the Society and accordingly the foregoing sub-rule (ii) shall not apply to him:-
 - (a) An employee to whom the Act does not apply,
 - (b) An employee in respect of whom the obligation to contribute to any other provident fund has not ceased,
 - (c) An employee for whom provision is made by a pension scheme,
 - (d) A person whose employment by the contributor Commences after such contributor shall under Rule 35 have given notice of cessation of contributions.
- (iv) For the purposes of the rules, the address of a member shall be care of his employer for the time being. Members shall from time to time notify the Secretary of the Society in writing of any changes of address.

Committee of Management

7.

- (i) The affairs of the Society shall be managed and conducted by a Committee consisting of nine members to wit:-

Ex-Officio Members

- a. The Chairman for the time being of the Chamber: Provided that he may appoint any person to take his place as ex-officio member of the Committee for such period as he may think fit, with liberty to him to withdraw any such appointment and, thereupon or in the event of a casual vacancy arising in the case of any person so appointed, to make a fresh appointment; and

- Nominated Members
- Elected Members
- Chairman of the Society
- Secretary and Office
- Committee Meetings
- Chairman
- Quorum
- b. The vice chairman and the deputy vice Chairman for the time being of the Chamber;
- c. Two persons nominated annually by the Committee of the Chamber;
- d. Four persons who shall, except as provided in sub-rules (ii) and (iv) hereof, be elected annually by members of the Society from among their number at the Annual General Meeting of the Society.
- (ii) The Committee of the Society functioning as such at the effective date shall subject to the rules continue to function as such Committee. The elected members of that Committee shall retire at the Annual General Meeting of the Society to be held in the year 1978 but be eligible for re-election.
- (iii) Every nominated or elected Committee member shall hold office until the Annual General Meeting of the Society next following his nomination or election when he shall retire but be eligible for re-nomination or re-election as the case may be.
- (iv) if a casual vacancy shall occur in the case of a nominated Committee-member, the same shall be fulfilled by a nomination made by the Committee of the Chamber; and, if a casual vacancy shall occur in the case of an elected Committee -member, the same shall be filled from among members of the Society by the remaining members of the Committee.
- (v) A casual vacancy shall be deemed to occur on the death or resignation of a Committee-member, or on an elected Committee -member ceasing to be employed by a contributor, (or when a Committee -member shall have absented himself from three consecutive meetings of the Committee) on the Committee deciding that a casual vacancy has in his case occurred.
- 8.**
- (i) The Chairman of the Chamber or, or if he shall have made an appointment in pursuance of the proviso to Rule 7(i) (a), the person so appointed shall be the Chairman of the Society.
- (ii) The Secretary for the time being of the Chamber or any other person appointed by the Committee of the Chamber shall be the Secretary of the Society and the affairs of the Society shall be administered at the office of the Chamber or elsewhere as may be directed by the Committee of the Society .
- (iii) The Chamber shall be allowed and paid out of the funds of the Society an annual or other payments to cover all such charges and expenses as it may incur or otherwise as the Committee may consider reasonable in connection with the affairs of the Society.
- 9.**
- (i) The Committee may meet for the despatch of business, adjourn and otherwise regulate their meetings as they may think fit. The Secretary shall at the request of the chairman of the Society or of any two members of the Committee summon a meeting of the Committee
- (ii) The chairman of the Society shall be entitled to take the chair at meetings of the Committee. If the chairman shall not be present at any such meeting or shall decline to take the chair, the members of the Committee present shall choose one of their members to be the chairman of the meeting.
- (iii) At all meetings of the Committee, five members thereof shall form a quorum and all acts and resolutions of the Committee duly done and passed in conformity with the rules shall be valid notwithstanding that the number of the Committee may for the time being be less than seven.

Decisions of
the Committee

- (iv) Any question which shall arise at any meeting of the Committee shall be decided by a majority of votes and in case of an equality of votes the chairman thereat shall have a casting vote in addition to his vote as a member of Committee.
- (v) A resolution in writing signed by all the members of the Committee shall be as valid and effective as if it had been passed at a duly constituted meeting of the Committee.

10.

Powers of the
Committee

- (i) In addition to any other powers expressly or impliedly vested in them by the rules, the Committee shall have the following powers:-
 - (a) The Committee may incur and direct payment out of the moneys of the Society of all such expenses as they may think fit in connection with control and administration of the Society (including an annual or other payment to the Chamber as provided in the Rule 8(iii)) all outgoings and charges in relation to the Society, and all costs and expenses of determining any question arising under the rules or otherwise howsoever in relation to the affairs of the Society;
 - (b) The Committee shall direct the investment of the moneys of the Society and the sale realisation and transfer of any such investments;
 - (c) The Committee may from time to time determine by whom receipts releases and other discharges for money paid to the Society may be signed;
 - (d) The Committee may decide or determine any question which may arise with regard to the interpretation of any of the rules or with regard to any matter not provided in the rules or otherwise howsoever in relation to the affairs of the Society.
- (ii) The Committee in exercise of the powers authorities and discretions vested in them by the rules shall have absolute and uncontrolled discretion, and every decision of the Committee shall be binding on the members, on all persons claiming through or under any member, and on the contributors.

General
Reserve
Account

- 11.** There shall be established in the books of the Society an account known as the General Reserve Account which shall be credited and debited with such sums as may be authorised by the rules and may be credited with such sums other than contributions as the Committee may from time to time decide. The General Reserve Account may be utilised for such purposes and in such manner as the Committee may deem proper. This rule shall be deemed for all purposes to have come into operation on the date of the establishment of the Society.

Member's
Contributions

12.

- (i) Each member shall on or before the last day of each month contribute to the Society an amount equivalent to not less than six per centum (6%) or such other sums the Commissioner fixes from time to time under the act of his salary for that month and his employer shall deduct from any sum payable to such member by way of salary and pay to the Society such sum as may be required to pay any contribution due from the member to the Society. The sums from time to time contributed by a member shall be credited to his account in the books of the Society as 'the member's contributions'

Contributor's
Contributions

- (ii) On or before the last day of each month the contributor who shall for the time being be the employer of a member shall (for or in respect of that month) contribute and pay to the Society in respect of such member an amount equivalent to not less than nine per centum (9%) or such other sums the Commissioner fixes from time to time under the act of such member's salary. The sums from time to time contributed by the contributor shall be credited to the account of the member in the books of the Society as "the contributor's contributions"

- (iii) Contributions payable under the forgoing sub-rules (i) and (ii) are referred to in the rules as “the normal contributions”.
- (iv) From and after the date upon which both the undermentioned events shall have occurred, namely:-
 - (a) The employment of a member has been declared under the Act to be a covered employment and
 - (b) An Order under the section 10(3) of the Act has been made in respect of that employment, the aggregate of the contributions in respect of each member made by the contributor who shall for the time being be his employer and by such member shall not be less than (15%) out of the earnings of that member
- (v) A member may with the prior approval of his employer, from time to time pay to the Society such further sums as he may think fit so to do, and any sums so paid shall be credited to that member’s account in the books of the Society as “the member’s contributions”.
- (vi) In addition to contributions in accordance with the foregoing sub-rules, the contributor may from time to time pay to the Society such additional sums as it may think fit and in so doing shall give directions as to the member or members to whose accounts and the proportion in which the same shall be credited. Such additional sums shall be credited as “the contributor’s contributions”
- (vii) The aggregate of all the contributions made by a contributor to the credit of any member’s account during any financial year of the Society shall not (unless required by law or by an award binding on the contributor) exceed twenty per cent of the earnings of that member as an employee of the contributor during that year
- (viii) Nothing in the foregoing sub-rules shall be deemed to relieve a contributor or a member from the obligation to comply with any award for the time being binding on such contributor or member in so far as such award relates to contributions to a provident fund.

13.

Employment
by another
contributor

- (i) Where any person who accepts employment with a contributor has prior to such employment been a member of the Society or of another provident fund and re-joins or becomes a member of the Society , then the Committee may retain or accept all or any part of the moneys payable to such person by the Society or by such other provident fund as the case may be and may credit the same to that member’s account in the Society as part of the member’s contributions to the Society or in such other manner as the Committee may think proper.
- (ii) Such portion of the sums so credited under the foregoing sub-rule (i) as the member’s contributions as shall be treated by the Department of Inland Revenue as having been contributed by his previous employer and interest thereon shall for the purposes of income tax be regarded as his employer’s or contributor’s contributions.

Funds of the
Society

- 14.** All sums payable to the Society under the rules shall be sent to the Secretary on behalf of the Society or to the credit of such bank account as Committee may direct, and all sums from time to time paid under the rules by members and contributors respectively, the investments for the time being representing the same, and the income from time to time received in respect of such investments, shall constitute the funds of the Society which shall be held primarily for the benefit of the members, but subject always as may be provided in the rules.

Bank Account

- 15.** The Committee shall cause an account or accounts to be opened at one or more bank or banks and all moneys from time to time contributed by the members and contributors respectively, all the moneys representing income from investments and all other moneys whatsoever received on behalf of the Society shall from time to time be paid to the credit of such account or accounts and shall be dealt with

only in accordance with the rules. The said account or accounts shall be styled "The Mercantile Service Provident Society Account" or such other style as the Committee may determine. Cheques and orders for the payment of money in favour of the Society and cheques drawn on the said account or accounts shall, as the case may be, be endorsed or signed by such persons and in such manner as the Committee of the Chamber shall from time to time authorise.

Investments

16. All moneys (except such as the Committee may at its discretion retain on current account in anticipation of possible requirements of the Society) shall from time to time be invested by and at the direction of the Committee at their discretion in or upon:-

- (a) Any form of investment authorised by law for the investment of trusts moneys (except upon mortgage of land), or
- (b) Temporary or fixed deposit or savings or other deposit account with any Bank (Commercial or otherwise) carrying on business in Sri Lanka, or
- (c) commercial paper or bonds or other debt instruments or securities, guaranteed by a Bank, of any public Company or other corporate body whether or not quoted in the Stock Exchange, or
- (d) Any listed debenture (having an investment grade rating from a rating agency registered with the Securities and Exchange Commission of Sri Lanka) of any public companies quoted in the Colombo Stock Exchange
- (e) Any shares of any public companies quoted in the Colombo Stock Exchange or any other recognised Stock Exchange, or
- (f) Loans made to members under the provisions of Rule 40

Where any moneys are invested in any forms of investment referred to above, the investments shall be made in the name or under the legal control of the Trustee. Where, and only where, however, by reason of any law, regulation or practice, it shall not be possible or practicable to make any such investments as are referred to above in the name or under the legal control of the Trustee, the investment may be made in the name of the Society and may be realised or withdrawn and any moneys receivable in respect thereof may be received on or against the signatures of those persons who for the time being are authorised under Rule 15 to sign cheques drawn on a bank account of the Society .

Where any moneys are invested in terms of paragraphs (a), (b) and (c) above, and/or for purposes of such investment and management thereof, the Committee may in its discretion appoint or obtain the services of a Fund Manager or Investment Manager for the control, administration and management of such portfolio/s: Provided that where the Committee so appoints or obtains the services of a Fund Manager or Investment Manager, the funds to be invested through such Fund Manager or Investment Manager shall be restricted to, at anyone time, a maximum of ten per cent (10%) of the total investments.

Where any moneys are invested in terms of paragraph (e) above, the funds to be so invested shall be restricted to a maximum of ten per cent (10%) of the total investments, and the Committee may, in the event of such investment, appoint or obtain the services of a Fund Manager for the Management of such investment portfolio.

The Trustee

17.

- (i) Subject to the provisions of Rule 16, the Chamber shall be Custodian Trustee of the investments of the Society and may be appointed as such by such members of the Committee as may be nominated for the purpose by a resolution of the Committee.
- (ii) The Custodian Trustee shall hold all investments of the Society made in its name and the receipts and income therefrom in trust for the Society upon and subject to the directions of the Committee and shall at all times act in respect of such investments receipts and income in accordance with the instruction of the Committee conveyed to the Trustee by a writing under the hand of the chairman or other ex officio member for the time being of the Committee.

Trustee not
liable for loss

(iii) The Trustee shall not be responsible or chargeable save and except for moneys actually received by it nor shall the Trustee be responsible or chargeable for the acts, defaults or neglects of the Committee or of the Bank with which the moneys of the Society are deposited, nor for those of any broker or agent or other person with or to whom any moneys or securities of the Society shall be deposited or come to be entrusted, nor for any loss arising from or contingent upon any investment, nor for having acted in accordance with the instructions of the Committee, nor generally for any loss whatsoever unless the same shall happen through the wilful act omission or default of the Trustee.

(iv) The Trustee shall not be concerned to see the application of the moneys of the Society or of the income from investments or that any such application is in conformity with the rules or that the rules are from time to time being complied with.

Indemnity

18. The Trustee, every member of the Committee, the Secretary and every person authorised for the purpose of rules 15 and 16 shall respectively be indemnified out of the moneys of the Society and kept absolutely free from all expenses and from personal loss of any kind in respect of all liabilities incurred by them or him in or about the control and administration of the Society, the carrying out of the rules and the performance of their respective duties, the carrying out of instructions of the Committee, and in or about any actions, suits or proceedings brought against them or him arising therefrom, except only such as arise out of their or his own wilful default or negligence.

Insurance prior
to effective
date

19. With respect to every insurance effected or maintained by any member through the funds of the Society prior to the effective date, the relative policy and the moneys payable thereunder shall be governed by and disposed of in accordance with the rules, and the rules of the Society in force prior to the effective date shall no longer apply thereto.

Insurance

20. Subject to the approval of the Committee in each case and of a member's contributor, the Committee may, on the written request of a member (who shall state the name of the insurer and give particulars as to the amount, nature and terms of the insurance and shall also supply any other particulars which the Committee may call for), arrange on the following terms and conditions for moneys standing to the member's credit in the books of the Society and contributions payable to the Society by the member and by his contributor to be utilised for the purposes of effecting insurance, or for the purpose of maintaining insurance effected by such member whether prior or subsequent to his becoming a member:-

GENERAL

(i) Such insurance shall be in the nature of an endowment or life insurance on the life of the member and shall be payable to the member, his executors, administrators or assigns. Withdrawals will be permitted only when the member ceases to be a member of the Society;

(ii) A member shall not be permitted to effect any insurance unless, at the date for payment of the first premium thereon, there shall be (to his credit in the books of the Society) a sum which, if two thirds thereof were to be utilised for the purpose, would be sufficient to pay (a) the amount of the first premium, and (b) the additional minimum premium which would be necessary if at that date the intended policy was to be converted into a fully paid-up policy maturing at the same date as the intended original policy;

(iii) The policy shall be delivered by the insurer to the Committee, and at the cost of the member (payable otherwise than through the Society) shall, if required, be assigned to the Trustee who may deliver the same to the member's contributor for custody and who shall hold the policy and the moneys payable thereunder in trust for the Society subject at all times to the rules and to the directions of the Committee;

(iv) Where assignment of the policy shall not be required, the member shall sign and deliver to the Committee all such consents, authorities and directions as the Committee may require to enable the policy to be dealt with as nearly as

practicable in conformity with the rules;

- (v) All bonuses, rebates and other benefits arising from the policy shall be allowed to accumulate with the insurer until the amount assured becomes payable and shall devolve therewith in accordance with the rules;
- (vi) Except in so far as assignment to the Trustee is required in pursuance of the rules, the member shall on no account whatsoever assign, mortgage, charge, alienate or otherwise deal with or obtain money on the security of the policy or of his interest therein, or attempt so to do, or allow the same to be seized;
- (vii) The amount of the annual premia payable in respect of the policy shall be subject to the approval of the Committee and of the member's contributor and, so long as the member is a member of the Society and so long as there shall be sufficient moneys to enable such payments to be made by utilising not more than two thirds of the amount standing to the member's credit in the books of the Society, shall subject to the rules, be paid by the Society, to the insurer and be debited to the member's account: Provided always that, in the event of the annual premium exceeding two thirds of the amount of the annual contributions payable to the Society by the member and his contributor such excess shall be payable by the member to the Society under rule 12(v) and shall be deducted from his salary or earnings and paid by his contributor to the Society and, on payment by the Society to the insurer, shall be debited to the member's account in such proportion as the Committee of Management shall decide but shall not exceed 50% of the annual premia in respect of the Contributor's Contribution.
- (viii) If in pursuance of Sub-rules (ix) or (x) any premium shall become payable for converting a policy into a fully paid up policy, the amount of such premium may be paid by the Society out of moneys standing to the credit of the member and, if paid, shall be debited to the member's account;

SPECIAL

- (ix) Should there at any time not be sufficient moneys to enable the foregoing sub-rule (vii) to be complied with, the policy shall not be allowed to lapse but, unless the member forthwith provides the deficit by paying the same to the Society under Rule 12(v), the Committee shall cause the policy to be converted into a fully paid up policy at the minimum additional premium, if any, required by the insurer, such policy being assigned to the Trustee (unless the Committee shall otherwise permit) and to mature on the same date as the original policy, and the converted policy shall be held by the Trustee on and subject to the same terms as the original policy;
- (x) If a member whose insurance is being maintained through the Society shall at any time (otherwise than by death) cease to be a member of the Society before the maturity of the policy, the Committee may either (a) cause the policy to be converted into a fully paid up policy at the minimum additional premium, if any, required by the insurer, such policy to mature on the same date as the original policy, or (b) cause the policy to be surrendered, or (c) if the member shall so request, and if the Committee at its discretion shall think fit so to do, cause the policy to be re-assigned to the member: PROVIDED that, if the member shall cease to be a member under rules 40 and 44, the policy (if in the name of the Trustee) shall be surrendered;
- (xi) If the policy shall under the foregoing sub-rule (x) has been converted into a paid up policy, the converted policy shall at the expense of the member (payable otherwise than through the Society) be assigned and delivered to him. If the policy shall have been surrendered, all moneys received by the Trustee from the insurer on such surrender shall be paid by the Trustee to the Society and be dealt with as in sub-rule (xii) provided. If the Committee shall, at the member's request, approve of the policy being reassigned to him, the same shall at his expense (payable otherwise than through the Society) be reassigned and delivered to him;

- (xii) If the policy is surrendered in pursuance of the provisions of Sub-rules (x) or if (whilst the member is a member of the Society) and policy shall mature or the member shall die, then the amount received under the policy by the Trustee (if the policy had been assigned to the Trustee) or by the member shall be paid to the Society and shall be credited to the member's account in the books of the Society in such proportion, as between the member's contribution account and his contributor's account for disposal therewith in accordance with the rules, as the Committee shall think proper having regard to the proportion in which premiums shall theretofore have been paid to the debit of those accounts respectively. The respective amounts so credited to those accounts shall be deemed to have been so credited, as the case may be immediately before the event which resulted in such surrender under sub-rule (x), or immediately on receipt thereof by the Society in the case of maturity or immediately prior to the death of the member in the case of death.

Reassignment
and
Conversion

21.

- (i) Notwithstanding anything to the contrary in Rule 20, a member may, at any time while a policy of insurance on his life is in force:-

- (a) first re-pay to the Society a sum of money equal to the aggregate amount paid up to that time by the Society to the insurer as premiums in respect of his policy, and then
- (b) by notice in writing, request the Society to cease paying any further premium in respect of that policy and to re-assign the policy to him, or
- (c) request the Society to convert the policy into a fully paid up policy and at the minimum additional premium if any, required by the insurer, such policy to mature on the same date as the original policy

and the Society shall comply with such request.

- (ii) Every notice under sub-rule (i) (b) shall be in the form set out in the Fifth Schedule hereto or in such other form as the Committee may prescribe.
- (iii) The aggregate amount of the premiums repaid by any member to the Society in terms of sub-rule (i) (a) shall be credited to the member's account in equal proportions as between the member's contributions and his contributor's contributions.

21. (A) Subject to the approval of the Committee in each case and of a member's contributor, the Committee may, on the written request of a member (who shall state the name of the issuer and give particulars as to the amount, nature and terms of the Policy and shall also supply any other particulars which the Committee may call for), arrange for moneys standing to the member's credit in the books of the Society and contributions payable to the Society by the member and by his contributor to be utilised for the purpose of taking out a pension policy or policies (whether individual or group depending on the circumstances) or for the purpose of maintaining such policy or policies taken out by such member whether prior or subsequent to his becoming a member.

Apportionment
of Income or
Loss

22.

- (i) Expenses shall be deducted from the income arising from the investments forming part of the funds of the Society and the net income or loss after deduction of these expenses shall be apportioned annually amongst the members in proportion to the amount standing to credit of each member's account in the Register as at 31st day of December in the year preceding that to which the income or loss relates: Provided however that in order to facilitate the calculation of the rate of apportionment applicable each year the Committee shall be entitled, before apportionment is made amongst the members as aforesaid, to transfer to the General Reserve Account such amount as it deems fit out of the net income or loss.
- (ii) In the case of a member who becomes entitled to payment of the amounts

lying to his credit in the Register at any date between the last day of the financial year and the date on which the apportionment of income or loss for that financial year is made by the Committee such member shall receive or bear by way of income or loss for that financial year. A sum calculated at the same rate of apportionment as shall have been adopted at the last preceding apportionment.

- (iii) Every such member shall also receive or bear, and every member who becomes entitled to payment at any date after an apportionment of income or loss has been made and before the 1st day of January next succeeding such apportionment shall receive or bear, as income or loss for the year in which his membership ceases a sum to be calculated:-
 - (a) On the balance standing to the credit of his account in the Register as at the 31st day of December in the previous year,
 - (b) At the same rate of apportionment as shall have been adopted at the last preceding apportionment, and
 - (c) According to the proportion which the expired period of the year in which his membership terminates bears to the whole of that period.

Valuation of
Investments

23.

- (i) The Committee shall as at the day of 31st day of December of each year, and may as at any other date, cause a valuation to be made of the investments constituting the fund
- (ii) The Committee may in its discretion at any time write down to par value any investment purchased at a premium or write up to par value any investment purchased at a discount by debiting or crediting the Revenue Reserve Account or adjust any depreciation or appreciation of investment values of any securities in the Profit and Loss Account, as the case may be.
- (iii) Any allocations made by the Committee under the powers conferred by the rules of Society shall be final and conclusive and binding on the members.

Depreciation
of Investment

24.

- (i) In the event of the net sum received upon the realisation or maturity of any investment forming part of the funds of the Society being less than the amount at which such investment stands in the books of the Society as at the date of such receipt, the resulting deficit shall be debited either wholly or in part to the General Reserve Account as the Committee may think proper. Such amount of the deficit as may not be so debited to the General Reserve Account shall be debited either wholly or in part to the Income and Expenditure Account as the Committee may think proper. The balance amount, if any, of the deficit shall be debited to the members in proportion to the amounts standing to the credit of their respective accounts in the Register as at the end of the financial year preceding that in which the deficit occurs.
- (ii) In the event of depreciation in the market value of any investment forming part of the funds of the Society, the Committee may in its discretion debit the whole or any part of such depreciation to the General Reserve Account and/or the Income and Expenditure Account.

Appreciation
of investment

25.

- (i) In the event of the net sum received upon the realisation or maturity of any investment forming part of the funds of the Society being more than the amount at which such investment stands in the books of the Society as at the date of such receipt, the resulting surplus shall be credited either wholly or in part to the General Reserve Account as the Committee may think proper. Such amount of the surplus as may not be so credited to the General Reserve Account shall be credited either wholly or in part to the Income and Expenditure Account as the Committee may think proper. The balance amount, if any, of the surplus shall be credited to the members in proportion to the amounts standing to the credit of their respective accounts in the Register as at the end of the financial year preceding that in which the surplus occurs.

(ii) In the event of an appreciation in the market value of any investment forming part of the funds of the Society, the Committee may in its discretion credit the whole or any part of such appreciation to the General Reserve Account and/or the Income and Expenditure Account.

Register	<p>26. The Secretary shall cause the following particulars to be inscribed in a register or other record in a form approved by the Committee in addition to any other particulars which the Committee may direct him to enter:-</p> <ol style="list-style-type: none">a) The name and address in Sri Lanka of each contributorb) The name and address in Sri Lanka of each member, the name of his employer, his occupation, the amount of his salary and, in the case of a member who has ceased to be a member or died, the date of such eventc) The amount of each member's contributions to the Societyd) Each member's proportion of every contribution to the Society made by his contributor,e) All other sums with which he shall be entitled to be credited or with which he shall be liable to be debited in accordance with the rules
Minutes and Books of Account	<p>27.</p> <p>(i) The Secretary shall cause to be kept a book or books in which shall be entered minutes of the proceedings of all meetings of the Society and of the Committee, and he shall also cause to be kept all necessary books of account.</p> <p>(ii) The accounts of the Society shall be made up as at the end of each financial year and as soon as practicable thereafter shall be audited. A copy of the audited balance sheet shall be sent to each member and to each contributor. The Committee may cause the books of the Society to be examined at any time or times by the auditors of the Society and may also cause the accounts of the Society to be audited as at any date other than the end of financial year. The auditors of the Society shall be appointed by the Committee subject to the approval of the Commissioner of Labour and the auditors shall be paid such fee as may be approved by the Committee.</p>
Audit	
Members' accounts	<p>28. A separate account shall be kept in respect of each member of the Society, which account shall be credited respectively with all contributions made by him and with all contributions made by his contributor. All other sums which are required by the rules to be credited or debited to him shall also be credited or debited to such account.</p>
Certificate of correctness	<p>29. A statement of his personal account in the books of the Society as at the end of the previous financial year shall be sent to each member, the correctness of which he shall be asked to verify, and he shall be required to sign a certificate certifying the correctness of the balance shown in such statement. The statement shall be deemed to be correct if the same shall not be returned to the Secretary within fourteen days of the date of despatch by the Society with particulars wherein it is alleged to be incorrect.</p>
Inspection of accounts	<p>30.</p> <p>(i) Any member shall be entitled to inspect his own account in the Register at all reasonable hours at the office of the Society, subject to such regulations as to the time and manner of such inspection as may be made from time to time by the Committee.</p>
Statement of account	<p>(ii) A member shall on written application to the Secretary to the Fund, but not more often than once in every year, be entitled to be provided with a statement in writing of the amount standing to his credit.</p>
Non-entitlement of members	<p>31. Except as is by the rules expressly provided, no member and no person claiming through or under a member in respect of his interest in the Society shall be entitled to claim any payment of money to him, and no member nor any such person shall be entitled to any part of the moneys of the Society or of any investments representing the same or of the income therefrom.</p>

Nomination

32. Every nomination made by a member subsequent to the 20th of July 1959 and prior to the effective date shall unless subsequently revoked be recognised by the Committee and be deemed to be valid nomination as if it had been made after the effective date.

Nominees

33.

(i) Each member may from time to time appoint by name one or more persons to be his nominee or nominees for the purpose, subject to the rules, of receiving in the event of his death whilst still a member the amount payable under Rule 34

(ii) Every such nomination shall be in writing signed by the member and shall be delivered to the Committee.

(iii) Every nomination made under the rules shall be made in the form set out in the Third schedule hereto or in such other form as the Committee may prescribe.

(iv)

(a) Any such nomination may, by delivery to the Committee of a writing substantially in the form set out in the Fourth Schedule hereto, signed by the member, be cancelled or revoked: Provided that, if any such writing purports to cancel or revoke a nomination made by a member with respect to one or more (but not all) of several persons previously appointed by him as nominees, such writing shall be invalid and shall have no effect as a cancellation or revocation, and the Committee shall not recognise the same.

(b) Any nomination made by a member previous to his marriage shall be deemed to be revoked on the marriage of a member and unless a valid nomination is made the Provident Fund moneys on the death of a member shall be payable to the legal heirs of a member.

(v) Any nomination made by a member shall, on delivery to the Committee of another or fresh nomination made in conformity with the foregoing sub-rules (ii) and (iii), be deemed to cancel and revoke all nominations previously made or deemed to have been made by him.

(vi) No nomination or revocation form shall be valid or have any effect unless the same shall have been delivered to the Committee before the death of the member making the same.

(vii) The signature of a member to a nomination or revocation shall be witnessed by two persons other than nominees, and the Committee shall be entitled to act on such document without verifying the correctness of any statement made therein.

(viii) Where a member shall desire to benefit a minor the member may in his form of nomination nominate a person (who should ordinarily be a parent of a minor) to whom as Trustee for such minor any moneys payable under the rules and by virtue of such nomination may be paid for the benefit of the minor. The receipt of such person for such moneys shall be a sufficient discharge to the Society. Such person shall apply the moneys received by him and any income therefrom for the benefit of the minor and shall on the minor attaining majority pay any unapplied part thereof to him but the Committee shall not be concerned to see to the application of such moneys. The member may at any time, by another or fresh nomination effected in conformity with the foregoing Sub-rules (ii) and (iii), or by a revocation effected in conformity with the foregoing sub-rule (iv) (a), remove any person named as Trustee for a minor. With respect to the share allotted in a nomination form for the benefit of a minor, if the person named in such nomination form as Trustee for such minor shall have predeceased the member or if the minor shall at the date of the member's death or at the time of payment have attained majority, the minor or as the case may be the minor who has attained majority (and not the Trustee shall be deemed to be the nominee in respect of that share:-

(ix) Persons eligible for appointment as nominees:-

- (a) By a married member, shall be the spouse and/or children of the member, including a bona fide adopted child, and/or any person named under the foregoing sub-rule (viii) as Trustee for a minor child;
- (b) By a member who is not at the time of such nomination married, shall be any person or persons, and/or any person named under the foregoing sub-rule (viii) as Trustee for a minor;

But the Committee shall not be concerned to enquire whether or verify that any person nominated by a member is or was eligible for appointment.

(x) Any nominee shall be subject to and be bound by the rules and shall not be entitled to receive any payment under and by virtue of such nomination:-

- (a) Save on the death of the member making such nomination whilst still a member, or
- (b) If at the date of such death his or her nomination shall have ceased to be in force, or
- (c) If, in the case of a Trustee for a minor, the minor shall have attained majority at the date of such death or at the time of payment.

and no nominee shall be entitled to payment except in accordance with the rules and consistently with the terms of the form of nomination signed by the member.

(xi) Upon a nominee becoming entitled to receive such payment he or she shall be entitled to the same absolutely for his or her own benefit or enjoyment, save as provided in the foregoing sub-rule (viii).

Death

34. On the death of a member the Committee shall, subject to the rules, pay out of the funds of the Society the amount standing to his credit in the books of the Society at the date of his death, and such payment shall be made to the persons hereinafter specified:-

- (a) To the nominee of such member, if there be a valid nomination in force at the date of his death and if the nominee be then living and of full age;
- (b) If a nominee or a person deemed to be nominee shall be a minor, payment shall be made to the curator of his estate. If no curator be appointed within six months of the death of such member or within such further period as the Committee may approve, the amount payable to such minor may be paid to the credit of an account to be opened in the name of the minor with the National Savings Bank of Sri Lanka established under the National Savings Bank Act No. 30 of 1971 or other Bank approved by the Committee and payment of that amount to such Bank shall be deemed to be a complete discharge to the Committee and to the Society in respect of the amount payable to such minor. It shall be competent to the Committee (but without any obligation on them so to do) to deliver the deposit book issued by the Bank to such person as may appear to the Committee, after making such enquiry as they may in their discretion deem reasonable, to be the guardian of the minor;
- (c) If at the date of death of a member there be no valid nomination in force or if the nominee if only one or all nominees be then dead, payment shall be made to the executor of the last will if any of the deceased member or if there be no such executor then to the duly appointed administrator of such member's estate or if the estate be not administrable to the person or persons entitled to claim a grant of administration. If no such executor or administrator or person entitled to claim a grant of administration shall within six months of

his death apply for payment of the amount payable in respect of the deceased member, such amount may be paid to such person or persons as after making such enquiry as they may in their discretion deem reasonable the Committee may ascertain to be his heirs. The decision of the Committee as to the person or persons to whom as heirs of the deceased member payment is to be made and the proportions in which such payment shall be made shall be final and binding. Payment by the Committee to the person or persons so ascertained as heirs shall be a complete discharge to the Committee and to the Society from all liabilities therefor to all persons whomsoever.

Cessation of
liability of
contributor

35.

- a. A contributor shall cease to be a contributor (a) upon ceasing to be a member of the Chamber, or (b) upon the expiry of not less than three calendar month's notice of an intention to cease to be a contributor to be given by the contributor in writing addressed to the Secretary.
- b. Upon (a) such cessation of Chamber membership on the part of a contributor or (b) the expiry of such notice of an intention to cease to be a contributor as aforesaid, all members employed by such contributor shall cease to be members and each of them shall be entitled, notwithstanding the appointment of any nominees as provided in the rules, to receive from the Society, subject to the rules, the amount of the balance then standing to his credit in the Register.
- c. A contributor shall also cease to be liable to contribute to the Society in respect of any member in the employment of such contributor:-
 - i. As from the date on which such member shall cease to be in the employment of such contributor, or
 - ii. As from the date on which an employee of such contributor ceases to be a member, or
 - iii. Upon the expiry of not less than three calendar months notice of an intention to cease to contribute in respect of such member, to be given by the contributor in writing addressed to the Secretary. Upon the expiry of such notice the member in respect of whom such notice is given shall cease to be a member and shall be entitled, notwithstanding the appointment of a nominee or nominees as provided in the rules, to receive from the Society, subject to the rules, the amount of the balance then standing to his credit in the Register.

Contributions
of contributor
in arrear

- 36.** If any contributor shall have been in arrear with the payment of contributions for a period of fourteen days, the Secretary shall call upon such contributor by notice in writing to pay forthwith all contributions then in arrear. If after the expiration of seven days from the date of such notice the contributions shall remain unpaid, such contributor who shall thereupon, if the Committee shall so require, cease to be a contributor and all employees of such contributor who shall then be members shall cease membership with the Society and shall become members of the Employees' Provident Fund and all balances to their credit in the Society and shall be transferred to the Employees' Provident Fund unless otherwise directed by the Commissioner of Labour.

Member of
unsound
mind

- 37.** If a member shall be adjudged to be of unsound mind, he shall thereupon cease to be a member and, subject to the rules, the amount of the balance then standing to his credit in the Register shall, notwithstanding the appointment of any nominee as provided in the rules, be paid to the duly appointed manager of his estate.

Incapacity to work

38. If a contributor shall terminate the employment of a member on the ground that the member is for any reason whatsoever incapacitated from work, and on the contributor notifying the Society to that effect, the member shall thereupon cease to be a member and, notwithstanding the appointment of any nominee as provided in-the rules.

(a) If such termination is due to mental incapacity, the amount of the balance then standing to the member's credit in the Register shall, subject to the rules, be paid (either by one payment or in instalments as the Committee may decide) to such relative of the member as the Committee, after making such reasonable enquiry as it shall deem fit, shall judge proper to receive the same in the best interests of the member and of his family, and the relative to whom the same is paid shall hold the same as trustee and apply the same from the time to time for the maintenance or benefit of the member and of his family or next-of-kin, and the receipt of the member's relative shall be a complete discharge to the Society ;

(b) If such termination is due to any reason other than mental incapacity, the amount of the balance then standing to the member's credit in the Register shall, subject to the rules, be paid to the member.

Normal retirement

39. If a member, in the case of a male on or after attaining the age of fifty five years and in case of a female on or after attaining the age of fifty years, shall cease to be employed by his or her contributor, he or she shall thereupon cease to be a member and shall be entitled notwithstanding the appointment of any nominee under the rules to receive from the Society, subject to the rules, the amount of the balance then standing to his or her credit in the Register.

Loans

40.

a. A member on or at any time after attaining the age of 50 years shall, though continuing to be in the employment of a contributor, be entitled on application to the Society to obtain a loan or loans through the Society.

A member shall not be granted a second or subsequent loan within a period of 2 years reckoned from the date of the first loan or of such subsequent loan, as the case may be.

The restriction contained in the immediately preceding paragraph shall not apply to a member who, when obtaining the loan/s, has not utilised the maximum 75% that he may have obtained.

b. The Committee may also in its discretion, on the written application of a member authorise that a loan may be granted to a member of such sum as the Committee may think fit to meet:-

(a) The expenditure on building a house, flat or flats on land belonging to the member or to his wife; or

(b) The expenditure on any structural repairs and/ or reconstruction of such house where extensive damage to such house has been caused as a result only of civil unrest, cyclone, floods or fire; or

(c) The expenditure on any extensions to such house, flat or flats; or

(d) The expenditure to purchase a house or site for a house or flat or flats.

c. The loans referred to in sub-rule (i) and (ii) above shall not exceed the limits and shall be subject to the conditions hereinafter set forth-

(a) The loan referred to in sub-rule 40 (ii)(b) referred to above shall not exceed forty per centum (40%) and, the loan referred to in sub-rules 40 (ii) (a), (c) and (d) referred to above shall not exceed seventy five centum (75%) of the amount of the balance standing to the member's credit in the register as at the end of the financial year preceding the date of the application for the loan, and it shall not

exceed such sum as the Committee shall decide after taking account of the member's expected liability for tax on his or her ceasing to be a member.

- (b) The member shall furnish the Committee in writing with all such information and documents as the Committee may require for the purpose of satisfying the Committee that the loan applied for is justified and is in conformity with the rules and, when the loan is granted the member's acknowledgement or receipt therefor shall be sufficient evidence that the loan has been made to the member.
 - (c) The grant of a loan, the amount thereof and the terms of repayment thereof, shall be in the absolute discretion of the Committee whose decision shall be final and the Committee shall not be obliged or compelled to disclose reasons for its decision nor shall acceptance of an application for a loan be deemed to impose an obligation to grant the loan applied for or any part thereof.
 - (d) Every loan shall be made as an investment of the Society and shall bear interest calculated on such sum at half per centum (1/2%) per annum over the current Central Bank rate payable at such date or dates as the Committee may determine but subject always to the proviso that no greater sum shall be recoverable by way of interest than would have been payable if interest were to be calculated at the rate of six per centum per annum or such other rates provided for by the regulations or otherwise under the act from time to time on the amount of the loan for the time being unpaid.
 - (e) Instalments of repayment shall be equal or as nearly equal as the Committee finds convenient, but if in the opinion of the Committee it would be impossible because of the age of the member for the loan to be repaid in full before the member's normal retiring age the Committee may approve of partial repayment only being made during his membership of the Society (by instalments of such amount and payable up to the date of his ceasing to be a member as it may think fit).
 - (f) The member's contributor shall deduct such instalments and interest as are referred to in the Sub-rules (d) and (e) from the member's salary and pay such deductions to the Society.
 - (g) On a member ceasing to be a member of the Society the outstanding balance of any loan or loans granted to him by the Society then remaining unpaid and owing to the Society shall be set off against and deducted from the sum then payable under the rules to the member or to any other person to whom the same may be payable and the provisions of all rules relating to payment by the Society on cessation of membership shall at all times be subject to the provisions of this sub-rule.
- d. A member shall be entitled to a further loan in a sum not exceeding seventy five per centum (75%) of the moneys credited to his account in the books of the Society under Rule 20 (xii) from insurance effected by him under Rule 20 (i).
- e. In the case of a loan granted under sub-rule (ii) referred to above the loan shall in addition to the terms and conditions set forth in sub-rule (iii) referred to above be subject to the following further terms and conditions:-
- (a) The title deeds of the relative property shall be delivered to the Secretary within eighteen months of the loan being granted for custody subject to the directions of the Committee until the loan has been repaid. The member or his wife shall provide the Committee with a letter of undertaking not to sell or mortgage or otherwise deal with the property until the loan has been repaid. Provided however that the Committee may in its sole and absolute discretion permit the member or his wife to obtain a loan on the security of the property

from a credit institution approved by the Committee.

- (b) The committee (or, behalf of and in the name of the Society) shall be entitled at any time to cause a caveat to be registered at the Land Registry in respect of the property.
- (c) So long as any part of a loan granted under sub-rule (ii) referred to above remains unpaid, no further loan shall be granted to the member under the sub-rule (ii), except at the absolute discretion of the Committee for expenditure on any extension to such house, flat or flats but the Committee may grant such member a loan under sub-rule (ii) referred to above, and if such loan is granted the instalments in repayment of both loans and the interest payable on such loans shall be adjusted in such manner as the Committee may think fit provided however that in granting such further loan the Committee shall take into consideration the moneys outstanding on the earlier loan and in no event shall such further loan together with the unpaid balance on the earlier loan exceed seventy five per cent (75%) of the amount of the balance standing to the member's credit in the register as at the end of the financial year immediately preceding the date of the application for the further loan.
- (d) If it shall appear to the Committee that a loan has been granted in reliance upon an incorrect or false statement made by a member or that the loan has not been applied by the member for the purpose for which it was granted, the Committee may (on inquiry after reasonable notice affording the member an opportunity of furnishing an explanation in writing) direct that the member shall cease to be a member of the Society as from such date as the Committee may decide and thereupon the member shall cease to be a member of the Society on that date and become a member of the Employee's Provident Fund, to which all the moneys standing to the credit of the member at the date of cessation of his membership less the unpaid amount of any loan or loans granted to him and interest and subject to the lien of the contributor under Rule 43 and to the other provisions of the rules shall be transferred: Provided always that only if such member shall not be eligible for membership of the Employees' Provident Fund, the Committee may permit such member to remain a member of the Society but no loan shall thereafter be granted to the member in any circumstances whatsoever.
- (e) The provisions of Sub-Paragraph (v) (d) shall also apply if the member or his wife shall commit a breach of the provisions referred to in the foregoing sub-paragraph (v) (a) unless the member shall on being called upon so to do repay to the Society the unpaid amount of the loan with all interest thereon.
- f. This rule shall be deemed to have come into effect as from the year 1959 and every withdrawal made prior to the adoption of this rule shall be treated as a loan under this rule and be repaid in the manner set out above.

Cessation of employment, not otherwise provided for

- 41.** If a member shall cease to be employed by a contributor in circumstances otherwise than as expressly provided for in the rules, his contributor shall in writing notify the Secretary of such cessation of employment and he shall from the date of such cessation cease to be a member and, notwithstanding the appointment of any nominee as provided in the rules, he shall be entitled to receive from the Society, subject to the rules, the amount of the balance standing to his credit in the Register: Provided that upon such cessation of employment and until he ceases to be a member as aforesaid, such member shall not be liable to make any contribution under Rule 12 or repay any instalment of a loan under the Rule 40 nor be entitled to attend any meeting of the Society.

Certificate of
balance on
cessation

42. Upon a member ceasing to be a member, the following rules shall apply-

- a. The committee may cause a valuation to be made of the investments of the Society other than insurances under rules 19,20 & 21 and, if there shall be found an appreciation or a depreciation in the value of such investments, the committee shall at its discretion determine whether and, if so, to what extent the amount of such appreciation or depreciation shall be credited or debited to the account of such member and in what manner the same shall be apportioned between the member's contributions and the contributor's contributions, and such credit or debit shall be deemed to have been made immediately before such cessation;
- b. A statement under the hand of the Chairman of the Committee or of any other person nominated by the Chairman, as to the balance standing or deemed to be standing to the credit of a member at the date of such cessation shall be conclusive and binding upon the member and upon all persons entitled under the rules to payment of such balance.

Contributor's
lien

43. The contributor for the time being in respect of a member shall subject to the provisions of Rule 40 have a lien (a) in the case of a loan granted prior to the 20th July 1959 on the full amount, and (b) in the case of a loan granted after the 20th July 1959 on seventy five per centum (75%) of the amount standing to the credit of a member in respect of contributions made by that contributor up to the date of the member ceasing to be employed by that contributor, for or in respect of any loan which may have been granted by that contributor to the member and interest (if any) on such loan. On the member ceasing to be employed by that contributor or on the member becoming entitled to receive payment from the Society or on the death of the member (whichever shall be the earliest of such events), and on receipt of a certificate from the contributor as to the amount due in respect of the moneys so lent, the Committee shall after deducting the amount outstanding on any loan made by the Society under Rule 40 to that member pay out of the balance standing to credit of the member in the register the amount due to the contributor. In the event of such balance being insufficient to meet the contributor's claim the full amount of such balance shall be paid to the Contributor. The contributor's receipt for the moneys so paid shall be a good discharge to the Committee as against the member or any person claiming through or under him.

Seizure,
insolvency &c

44.

- a. No member shall be entitled in any way to assign, transfer, mortgage, charge or otherwise how so ever deal with any moneys standing to his credit or his interests in the Society or any part thereof respectively or purports so to do, and any such transaction or dealing shall be invalid and of no effect whatsoever. The Committee and the Trustee shall not recognise or be bound by notice given to them of any such transaction or dealing.
- b. If the Committee shall receive notice of any such transaction or dealing as is referred to in the foregoing sub-rule (i) or if the member shall commit a breach of Rule 20 (vi) or if any prohibitory notice or attachment or other process of a Court be served upon the Society or the Committee or the Trustee by which any moneys standing to the credit of a member shall or shall purport to be seized or attached or shall or shall purport to be ordered to be with-held from such member to be paid into any Court, or if a statutory notice of any kind shall be received by the Society or the Committee or the Trustee by which any moneys standing to the credit of a member shall purport to be seized or attached or be directed to be paid to any person other than the member, or if a member shall be adjudged an insolvent or files his petition in insolvency or makes any composition or arrangement with his creditors, then or in any such events following provisions (in addition to the relevant provisions of Rule 20) shall apply:-
 - i. The member shall forthwith cease to be a member of the Society who shall report such cessation to the Commissioner of Labour for such action as he deems necessary;
 - ii. The balances standing to the credit of the member as at the date of

such cessation of membership shall be ascertained and adjusted in accordance with the rules;

- iii. The provisions of rules 40 and 43 shall in an appropriate case be applied;
- iv. The balance thus ascertained and adjusted in the member's contribution account of such member shall be dealt with in accordance with the law;
- v. The balance thus ascertained and adjusted in the Contributor's contribution account of such member shall be held at the disposal of Commissioner of Labour to be dealt with in accordance with his instructions;
- vi. If after the member ceases to be a member under the foregoing sub-clause (a), any moneys representing his own contributions and interest thereon are released from any seizure or attachment, or are not required to be paid into any Court or to any other person, or if his adjudication of insolvency is annulled, or any composition or arrangement with his creditors is annulled, cancelled or made void, then all such moneys shall (unless otherwise required by law) be disposed of as directed by the Commissioner of Labour.

Lapsed
Moneys

45. All moneys representing the amount standing to the credit of a member in the books of the Society which remain unclaimed for six years after the same shall have become payable shall be forfeited to the Society and dealt with in such manner as the Committee may think fit, save that no part thereof may be paid to any Contributor.

Statutory
charges

46. Before making any payments under the rules, the Committee shall be entitled (but shall be under no obligation) to satisfy themselves or to require that they shall be satisfied either that no statutory charges in favour of the Government exist or that any such charges have been duly satisfied and may also deduct from such payment and pay and discharge any claim or claims in respect of income tax without being responsible for the correctness of any such claim or claims.

General
Meeting

47. General Meetings of the Society shall be of two kinds:-

- i. Annual General Meetings, and
- ii. Special General Meetings.

Annual
General
Meeting

48. An Annual General Meeting of the Society shall be held on such date not later than 31st day of August in each year and at such time and place as the Committee shall determine for the purposes of :-

- a. Receiving and considering the report of the Committee and the Balance Sheet.
- b. Electing the members of the Committee referred as to in rule 7(i) (d) at which election the members of the Society only will be entitled to vote. The voting may (if the Chairman shall so decide) be carried out by ballot from among the members present at the meeting in such manner as the Chairman thereat shall direct,
- c. Considering any other business of which due to notice shall have been given and of which the Committee shall have approved.

Special
General
Meetings

- 49.**
- a. The Committee may whenever it thinks fit call a Special General Meeting.
 - b. The Committee may also, if in its absolute discretion thinks fit so to do, call a Special General Meeting on receipt of a requisition in writing signed by any seven members, addressed to “The Committee of the Mercantile Service Provident Society” and delivered at the office of the Society. Any such requisition may consist of several documents in like form each signed by one or more of the requisitionists. No requisition shall be valid, nor shall a meeting be convened thereon, unless the same shall fully set forth the object of the proposed meeting and, where it is intended to propose a resolution at such meeting, the text of such resolution, and unless the same shall provide the name and address of one of the requisitionists to whom the decision of the Committee may be communicated.
 - c. The Secretary shall notify the requisitionists of the decision of the Committee as to whether or not the meeting will be convened by communicating the same to the requisitionist whose name and address is provided in the requisition.

Members’
resolutions

- 50.** Any member may, on giving as hereinafter provided notice of any resolution, submit the same to a General Meeting, provided that:-
- i. Such notice shall be given by delivering a copy of the resolution at the office of the Society,
 - ii. In the case of a resolution intended to be submitted to an Annual General Meeting, such notice is given before the 31st day of May immediately preceding such meeting,
 - iii. In the case of a resolution to be submitted to an Special General Meeting such notice is given not less than twenty one days prior to such meeting,
 - iv. If by any such resolution it is proposed to rescind or amend any of the rules or adopt any new rule, the Committee shall have approved of such resolution being submitted to such meeting and
 - v. The proposed resolution shall have been included in the agenda for such meeting.

Notice of
General
Meeting

- 51.**
- a. Not less than fourteen clear days’ notice of every General Meeting, Annual or Special, specifying the place, day and time of the Meeting and the purpose for which it is to be held shall be given to all members and contributors, but the accidental omission to give notice to, or the non-receipt of notice by, any member or contributor shall not invalidate the proceedings at any meeting. Except with the consent of the Chairman at a meeting, no business shall be brought before or transacted at any meeting other than the business specified in such notice.
 - b. Notice of every General meeting, Annual or Special, shall be deemed to have been duly given to all members and contributors if the same shall be delivered or posted to every contributor, and any such notice shall be deemed to have been received by all members and contributors at the expiration of forty-eight hours after the time of delivery or posting.

Contributors to
notify
employees

- 52.** On receipt of any such notice, each contributor shall –
- i. Attach or affix one copy thereof to the record maintained by that contributor in Form ‘E’ prescribed by the Shop and Office Employees (Regulation of Employment and Remuneration) Act, No. 19 of 1954, or to the notice board in the office or other establishment of that contributor on which notices to employees are customarily posted up, and

- ii. Cause copies of the notice to be made available, on application, to those members who are for the time being in the employment of that contributor.

To enable each contributor to comply with this rule, the Secretary shall supply the contributor with copies of the notice, as may be required or as may be applied for by that contributor.

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|------------------------------------|--|
| Chairman at
General
Meetings | <p>53. The Chairman for the time being of the Society or, in his absence, any member of the Committee nominated by him in writing shall be entitled to take the chair at General Meetings of the Society. If the said Chairman or his nominee shall not be present at any such meeting within fifteen minutes of the time appointed for the meeting or shall decline to take the chair at such meeting, the members present shall choose another member of the Committee as Chairman, and if no member of the Committee be present or if all the members of the Committee present decline to take the chair then the members present shall choose one of their number to be Chairman.</p> |
| Quorum

Adjournments | <p>54. No business shall be transacted at a General Meeting unless there shall be present in person at the commencement of the Meeting a quorum consisting of not less than twenty five of the members of the Society. If at the expiration of fifteen minutes from the time appointed for a meeting the required number of persons shall not be present at the meeting, the meeting if convened in pursuance of a requisition of members shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place and no notice of such adjournment need be given. If at such adjourned meeting a quorum is not present, those members present shall be a quorum and may transact the business for which the meeting was called.</p> |
| Voting | <p>55.</p> <ol style="list-style-type: none">a. All resolutions shall be decided by a show of hands of those present thereat. Each member present shall have one vote. No objection shall be taken to the validity of any vote except at the meeting at which such vote is tendered and every vote to which no objection shall be taken at such meeting shall be deemed valid for all purposes of such meeting. Every contributor, either himself or through a representative, shall be entitled to be present at a General Meeting and to vote thereat except on the election of elected Committee-members.b. Notwithstanding the provisions of paragraph (i) if a Chairman at any meeting is of the opinion that on account of the large number present or for any other reason the voting on any matter would be more conveniently carried out by means of a ballot from among those present at the meeting, he may in his discretion direct a ballot to be taken in such manner as he considers fit. Where the Chairman so decides, a ballot shall be taken in accordance with his decision. |
| Amendments
to the rules | <p>56. Subject to the prior approval of the Commissioner of Inland Revenue and of the Commissioner of Labour, all or any of the rules may be rescinded or amended and any new rule may be adopted in addition to or in substitution for any of the rules or any part thereof at a General Meeting of the members of the Society by a resolution passed at such meeting by at least seventy five per cent (75%) of those present at such meeting, but no such alteration or modification shall be made which shall:-</p> <ol style="list-style-type: none">a. have not been previously approved by the Committee,b. in any way without their prior consent, prejudice the rights or interests of any member of the Society at the date of such alteration or modification or of any person who, having ceased to be a member of the Society, has not at that date received payment in terms of the rules,c. impose any additional liability upon contributors without their prior consent, |

- d. impose any personal liability upon the Trustee or the Committee without their prior consent, or
- e. result in any payment being made to a contributor out of the moneys of the Society save as provided in Rule 43.

Winding-up

57. The Committee may by resolution determine that it is desirable that, not less than three nor more than six months after such determination (notice whereof shall be sent to the members, to the contributors and to the Commissioner of Labour), the Society shall be wound up and on the expiration of the period prescribed in such resolution the Society shall be wound up and the provisions of the Act relating to the winding-up of a fund approved under the Act shall apply.

Payments
under the rules

58.

a. With respect to all payments under the rules save on a winding-up of the Society, the distribution of loss or gain in pursuance of rules 22, 24, or 25 as at the date of the last of such distributions prior to such payment shall be applicable.

b. Any payment whatsoever made in accordance with the rules shall be a good and complete discharge to the Society and the Trustee against all claims whatsoever by any member, contributor or other person whomsoever.

Expenses of
the Committee

59. To defray expenses incurred by the Committee of Management, the Society shall levy a fee from the contributors to be calculated at a rate per member per annum to be determined by the Committee from time to time.

FIRST SCHEDULE – RULE 5 (ii)
(Application for Registration as Contributor)

The Committee,
THE MERCANTILE SERVICE PROVIDENT SOCIETY,
C/o The Ceylon Chamber of Commerce,
Colombo.

Sir,
I/We.....
.....of.....
..... do hereby apply to be registered as a
contributor under the rules of the Mercantile Service Provident Society, as from the
..... day of 19.....

I/We have read and understood the rules of the Society and I/We hereby agree that, upon acceptance of my/our application, I/we shall be bound by the rules from time to time in force.

Yours faithfully,

(Signature).....
Date.....
Name of Contributor.....
Address.....
.....

Application accepted.....(Date)

Applicant informed.....(Date)

.....
Secretary

SECOND SCHEDULE – RULE 6 (ii)
(APPLICATION FOR MEMBERSHIP)

The Committee,
THE MERCANTILE SERVICE PROVIDENT SOCIETY,
C/o The Ceylon Chamber of Commerce,
Colombo.

Sir,
I (full name)..... do hereby
apply for membership of the Mercantile Service Provident Society as from the day of
..... 19.....

I have read and understood the rules of the Society and I agree that, upon acceptance of my application, I shall be bound by the rules from time to time in force. I declare that I am eligible for membership under rule 6.

I am employed by..... as

Date of Applicant's birth.....

Date.....

Countersigned by.....

.....
(Applicant's Signature)

Date.....

.....
Employer

Application accepted.....(Date)

Applicant informed.....(Date)

.....
Secretary

FORM OF NOMINATION
THIRD SCHEDULE – RULE 33 (iii)

To

The Committee,
 THE MERCANTILE SERVICE PROVIDENT SOCIETY,
 C/o The Ceylon Chamber of Commerce,
 Colombo.

Pursuant to rule 33 of the abovenamed Society, I (full names)

..... at present employed by
 do hereby for the purpose of the rules nominate and appoint the following person(s) to be my nominee(s)
 to benefit in the following proportions, subject however to the proviso hereinafter set forth:-

	<i>Name of Nominee</i>	<i>Relationship to me</i>	<i>Age of Nominee</i> <i>(or beneficiary)</i>	<i>Proportion</i>

*Omit or delete where not required	*.....
	(as trustee for.....	*none		
	(beneficiary		
	(until the age of	is my
	majority)			
	*.....	*none		
	(as trustee for	(beneficiary		
	is my		
	until the age of)		
	majority)			

Provided that if any nominee (or, where a person as nominee is trustee for a minor beneficiary, if the beneficiary) shall predecease me, the proportion allocated to such nominee or beneficiary including any accrued proportion shall on his or her death accrue to the remaining nominee if only one or, if more than one, to the remaining nominees in the proportions in which as between themselves they are to benefit on my death; and, in the case where the nominee of an accrued share is trustee for a minority beneficiary, such accrued share shall be held by such trustee for the benefit of the beneficiary in the same way as the original share.

Date 19.....

.....
 (Signature)

Witnesses:

1.....

2.....

Registered in the books of the Society

.....(Date)

.....(Secretary)

REVOCATION OF NOMINATION
FOURTH SCHEDULE – RULE 33 (iv) (a)

To
The Committee,

THE MERCANTILE SERVICE PROVIDENT SOCIETY,
C/o The Ceylon Chamber of Commerce,
Colombo.

I hereby cancel and revoke the nominations(s) heretofore made or deemed to have been made by me under the rules of the abovenamed Society.

(Dated) 19.....

.....
(Signature)

Registered in the books of the Society

.....(Date)

.....(Secretary)

FIFTH SCHEDULE – NOTICE UNDER RULE 21 (i) b
for re-assignment of Policy

To

The Committee,
THE MERCANTILE SERVICE PROVIDENT SOCIETY,
C/o The Ceylon Chamber of Commerce,
Colombo.

Sir,

Having in terms of Rule 21 (i) of the Mercantile Service Provident Society Rules, repaid to the Society the sum of Rupees and cents, being the aggregate amount paid up to this date by the Society to (name of the insurer) as premiums in respect of Policy of Insurance No..... on my life. I hereby request the Society, under that Rule, to cease paying any further premium in respect of that Policy.

Please re-assign and deliver the Policy to me and I enclose Rs..... being Stamp Duty and expenses in connection with the re-assignment.

Yours faithfully,

.....(Member's Signature)

.....(Date)

.....(Employer's Signature)

.....(Date)

REGISTERED IN THE BOOKS OF THE SOCIETY

.....(Date)

.....(Secretary)