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## The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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No. 1616/23 - MONDAY, AUGUST 24, 2009

(Published by Authority)

### PART I: SECTION (I) — GENERAL

#### Government Notifications

##### REGISTRATION OF TITLE ACT, No. 21 OF 1998

L.D-B 4/98.

REGULATION made by Minister of Lands and Land Development under Section 67 of the Registration of Title Act, No. 21 of 1998 read with Sections 60 and 62 of that Act.

Minister of Lands and Land Development.

Ministry of Lands and Land Development,  
Colombo,  
21st Day of August, 2009.

#### Regulations

##### PART I

##### GENERAL

1. These Regulations may be cited as “the Title Registration (Insurance Fund) Regulations, No. 1 of 2009”.

Short title.

2. The objective of the Insurance Fund established under Section 62 of the Act, (hereinafter referred to as “the Fund”) shall be to indemnify on an order of Court any person who suffers loss or damage or who has been prejudiced by reason of—

Objective of Fund.

(a) any rectification of the register in pursuance of an order of Court under Section 59 of the Act ; or

(b) not rectifying the register in consequence of an order of Court under Section 59 of the Act.

3. The Chief Administrator and operator of the Fund shall be the Register-General of Title who shall be responsible for the proper operation administration and management of the Fund.

Chief Administrator and operator of Fund.

Board of Management to assist in administration of Fund.

4. A Board of Management (hereinafter referred to as "the Board") shall assist the Registrar-General of Title in the operation, administration and management of the Fund.

Central Bank to supervise Fund.

5. The Central Bank shall supervise the administration, operation and management of the Fund.

Address of Fund

6. The address of the Fund shall be the office of the Department of the Registrar-General of Title, Battaramulla.

The Registrar-General of Title to exercise control over payments and proceeds ratio.

7. The Registrar-General of Title shall exercise proper control over the payments and proceeds ratio being the amount of payments made relative to the monies in the Fund and the income generated and receivable by the Fund.

In the event of insufficiency of excess of funds the Registrar-General of Title shall in consultation with the Board, take such action as is appropriate to the situation.

The Registrar-General of Title to keep proper accounts.

8. The Registrar-General of Title shall keep proper accounts of monies transferred to and paid out of the Fund, and shall carefully preserve evidence of such transfers and payments.

Highest possible percentage to be invested in Government Securities.

9. On the advice of the Director in charge of Bank Supervision of the Central Bank and the Deputy Secretary to the Treasury, the Registrar-General of Title shall invest the highest possible percentage of the monies in the Fund in Government securities, and liquidity requirements shall be met in compliance with regulations governing such securities.

Bank to inform regarding financial operation of Fund.

10. The Bank shall inform the Registrar-General of Title, half-yearly, before the 1st day of July and the 1st day of January in each year regarding the financial position of the Fund and the investments made during the preceding six months.

Audit.

11. The Fund shall be audited annually and the auditor's report shall be published one month after the presentation of the annual report to which shall be attached the annual Administration Report on the Fund prepared by the Registrar-General of Title.

Administration Report.

12. The Registrar-General of Title shall present his annual Administration Report on the Fund to the Board, the Secretary to the Minister in charge of the Department of the Registrar-General of Title, the Secretary to the Treasury, the Governor of the Central Bank and any other authorities statutorily required.

## PART II

### BOARD OF MANAGEMENT

Establishment and Constitution of the Board.

13. There shall be a Board of Management of the Fund, (hereinafter referred to as "the Board"), which shall consist of the following members :-

- (a) the Registrar-General of Title, who shall be the chairman of the Board ;
- (b) a representative of the Ministry of the Minister in-charge of the Department of the Registrar-General of Title, nominated by the Secretary to such Ministry ;
- (c) a representative of the Ministry of the Minister in charge of the subject of Lands nominated by the Secretary to such Ministry ;

- (d) a representative of the Minister in charge of the subject of Finance, nominated by the Secretary to that Ministry ;
- (e) a representative of the Central Bank nominated by the Governor of the Central Bank ; and
- (f) the Chief Valuer.

14. The functions of the Board shall be—

Functions of the Board.

- (a) to be responsible for the overall management and administration of the Fund ;
- (b) to advise the Registrar-General of Title on whether a claim for indemnity is justified or not in terms of the provisions of the Act ;
- (c) to develop and adopt rules and guidelines regulating its procedure for effectively carrying out its functions and responsibilities ;
- (d) to investigate into the claim for indemnity and identify persons whose culpability entailed the payment of indemnity under this Act and to determine the amounts that should be recovered from such persons to make restitution of the Fund ;
- (e) to advise the Registrar-General of Title on the measures he should adopt for the recovery of loss caused to the Fund under paragraph (d) ;
- (f) to investigate whether records pertaining to the accounts of the Fund and the operations of the Fund are maintained in accordance with accepted standards, and to guide the Registrar-General of Title in that regard whenever necessary ;
- (g) to take all measures necessary to ensure accuracy, comprehensiveness and safety of records relating to all matters dealt with by the Board ;
- (h) to review all financial statements prepared and presented by the Registrar-General of Title and the Central Bank ;
- (j) to regularly review the inflow and outflow of monies to and from the Fund and to take appropriate measures to rectify any adverse situation ; and
- (k) to approve, after reviewing and if necessary revising the annual estimated administrative expenditure.

Meetings of the Board.

15. (1) The Board shall meet whenever the members of the Board think necessary having regard to the nature and extent of the work so however, that it shall meet at least half yearly in January and in July. The Annual General Meeting of the Board shall be held in the month of January in each year.

(2) Any member of the Board may call a meeting of the Board by giving one week notice in writing.

(3) The Chairman of the Board shall, if present preside at every meeting of the Board. In the absence of the Chairman from any such meeting, a member elected from among the members present shall preside at such meeting.

(4) The quorum for any meeting of the Board shall be three members.

(5) The Chairman or other member presiding at any meeting of the Board shall in addition to his own vote, have a casting vote.

(6) Subject to the preceding provisions of this section, the Board may regulate the procedure in regard to the meetings of the Board and the transaction of business at such meetings.

(7) In the event of any difference of opinion between the members of the Board, the decision of the majority shall be binding and effectual.

(8) No act or proceedings of the Board shall be deemed to be invalid by reason only of the existence of any vacancy amongst its members.

(9) The Registrar-General of Title shall cause to be maintained accurately the minutes of the Meetings of the Board, their dissemination and custody and all records relating to the proceedings of the Board.

Seal of the Fund.

16. The seal of the Fund—

(a) shall be in the custody of such person as the Board may from time to time determine ;

(b) may be altered in such manner as may be determined by the Board ;

(c) shall not be affixed to any document except with the sanction of the Board and in the presence of two members of the Board and the Registrar-General of Title who shall sign the document in token of his presence.

Registrar-General of Title to provide establishment and secretariat requirements of Board.

17. The Registrar-General of Title shall be responsible for providing all administrative and secretarial requirements of the Board. Remuneration and allowances payable to the staff of the Board shall be in accordance with the rates as are approved by the Ministry of Public Administration from time to time.

Remuneration of Members of Board.

18. The members of the Board shall be paid such remuneration or allowances at such rates as may be determined by the Minister, with the concurrence of the Minister in charge of the subject of Finance.

Reports.

19. The Registrar-General of Title shall be responsible for obtaining all documents, statements, valuation reports and other reports related to claims for indemnity.

The Registrar-General of Title shall be responsible for correctly and comprehensively presenting such documents, statements and reports to the Board at its meetings with his observations and recommendations thereon.

Follow-up action.

20. The Registrar-General of Title shall be responsible for follow-up action on the recommendations of the Board, regarding the preparation and presentation of documents, statements, reports and investigations, the institution of legal proceedings and remedial measures to ensure the proper functioning of the Fund.

He shall report to the Board all measures take in respect of and the results of such follow up action.

### PART III

#### INDEMNITY

Indemnity.

21. Indemnity shall be paid only on the order of Court, having regard to the provisions of Sub-section (2) of Section 58, of Section 59 and Section 60 of the Act.

22. (1) A person claiming indemnity shall institute an action in Court claiming indemnity within three years of the fraudulent or erroneous registration of title to land or interest in land in relation to which the indemnity is claimed. Procedure.

(2) The Registrar-General of Title shall be made a defendant and the person or persons whose fraud resulted in, or contributed to, the loss in respect of which the indemnity is claimed shall be made co-defendant.

23. The plaint shall *inter-alia* set out the following particulars :-

Plaint.

(a) The name or names of the person or persons who claim to have suffered loss ;

(b) The identity of the land or interest in land the registration of which has resulted in this loss ;

(c) The name or names of the person or persons alleged to have caused the loss ;

(d) The valuation of the loss assessed by a qualified Valuer.

24. The Registrar-General of Title shall submit to Court a valuation of the alleged loss assessed by the Chief Valuer. Valuation

25. (1) Where the Court orders the payment of indemnity, such indemnity shall be paid within three months of the Order of Court, unless an appeal has been lodged against such order. Indemnity to be paid within three months.

(2) Where the payment of such indemnity is delayed beyond a period of three months, interest at the legal rate shall be paid on the amount of such indemnity or such part of it as remains unpaid, until payment of the whole is made.

PROCEDURE FOR PAYMENT OF INDEMNITY

26. On receipt of a Court order for the payment of indemnity, the Registrar-General of Title shall submit for the approval of the Board his authorization for the payment on indemnity accompanied by a statement containing the following particulars :-

Registrar-General of Title to seek approval of Board for payment.

(a) The identity of the land or the nature of the interest in land in issue ;

(b) The names and addresses of the owner or owners of the land or interest in land the registration of which resulted in the claim for indemnity ;

(c) The nature of the claim the issues and the causal factors which gave rise to the claim for indemnity proven in Court ;

(d) The amount of the indemnity claimed ;

(e) The amount of indemnity recommended by the Board ;

(f) Salient aspects of the investigations into the claim ;

(g) A report on the nature and scope of the investigations conducted in respect of the claim ;

(h) The valuation of the loss in respect of which indemnity is claimed made by the Chief Valuer ;

(i) A review of the observations of the Members of the Board on the final valuation of the indemnity given by the Chief Valuer ;

- (j) Names of persons responsible for the loss which gave rise to the claims for indemnity ;
- (k) The nature and extent of the culpability of each of the persons specified under paragraph (j), and the respective amounts recommended by the Board to be recovered from such persons ;
- (l) The minutes of the investigation by the Board into the claim for indemnity ; and
- (m) The judgment of the Court in respect of the claim.

The Board shall after ascertaining the corrections of the particulars and information contained in the statement, approve the payment of indemnity by resolution of the Board.

Certificate.

27. On receipt of the Board resolution approving the payment of indemnity the Registrar-General of Title shall prepare a certificate in triplicate substantially in form RGT/1F/1 approved by the Registrar-General of Title.

Such certificate shall be signed by a member of the Board and the Registrar-General of Title. A copy each shall be presented to the Central Bank and the bank at which the fund maintains its account and the Registrar-General of Title shall deposit in Court a cheque made out in the name of the claimant for the amount ordered by Court to be paid.

Remedial action to be taken.

28. The Registrar-General of Title shall undertake action for remedying the causes which necessitated the payment of indemnity and any factors which might in the future land to the payment of indemnity.

Persons against whom action to be taken.

29. The Registrar-General of Title shall institute action against—

- (a) every person whose fraud necessitated the payment of indemnity ;
- (b) every officer of the Registrar-General of Title's department whose fraud or gross negligence necessitated the payment of indemnity

for the recovery of the amount paid as indemnity and for the recovery of other costs incurred by the Fund.

PARTIV

FINANCIAL ADMINISTRATION OF THE FUND

Financial year of Fund.

30. The Financial year of the Fund shall be the calendar year.

40% of fees to be remitted to fund account.

31. The Registrar-General of Title shall remit to the account of the Fund forty percent of all fees received by the Registrar-General of Title under the Act, for each month before the tenth of the following month.

Payments from account.

32. Subject to the provisions of Section 33, the Registrar-General of Title shall utilize the monies in this account of the fund to pay indemnity ordered by Court and for the repayment of loans to the Government.

Expenses incurred in the Administration of the Fund.

33. Twenty-five percent of the fees paid under the Act, into the account of the fund under Section 31 shall be paid into the Registrar-General's account for the purpose of meeting the following expenses :-

- (a) any financial servicing charges normally levied on such a fund ;
- (b) legal expenses in connection with the recovery of damages from persons responsible for—
  - (i) fraud leading to incorrect registration of title ;
  - (ii) fraudulently or negligently entering wrong particulars in the Title Register ;
- (c) the payment of salary and allowances to the staff directly employed to manage the Insurance Scheme ;
- (d) the payment of essential office equipment and stationery ;
- (e) the payment of allowances to members of the board ;
- (f) the payment of such other expenses as may be approved by the Minister in charge of the department of the Registrar-General of Title ;
- (g) the payment to the Auditor-General for auditing the accounts of the Fund ; and
- (h) administrative costs.

34. Sixty per centum of all fees paid under the Act, shall be paid into the Consolidated Fund.

Payments to Consolidated the Fund.

35. The Registrar-General of Title shall open an account for the Fund at a bank recommended by the Central Bank.

Bank account for Fund.

36. (1) The Registrar-General of Title shall be responsible for—

Accounts and transfer of moneys.

- (a) causing proper books of accounts to be kept of the income and expenditure assets and liabilities and all other transactions of the Fund ;
- (b) causing proper accounts to be kept of such collection of fees under Act for every month ; and
- (c) for the correctness and relevance of the transfer of moneys to the Fund.

(2) The Registrar-General of Title shall cause its books to be balanced as on the thirty-first day of December in each year, and shall, before the thirty-first day of March next, cause to be prepared, an income and expenditure account and a balance sheet, containing a summary of the assets and liabilities of the Fund made up to the first mentioned date.

(3) The income and expenditure account and the balance sheet shall be signed by Registrar-General of Title and a member of the Board authorized to do so by a resolution passed by the Board.

37.(1) The Registrar-General of Title may invest capital of the Fund in Government securities only with the prior approval of the Board.

investments.

(2) The Board shall for the purpose of paragraph (a), obtain the advice and concurrence of the Minister, the Minister of Finance and the Central Bank.

38. The Registrar-General of Title shall maintain a separate account in his books for the operation of the Insurance Fund.

Separate account for Insurance Fund.

Approval of payments. 39. The Registrar-General of Title shall approve every payment out of this account and shall authorize an Additional or Deputy Registrar-General of Title to certify such payment.

Registrar-General to follow Treasury Circulars. 40. It shall be the duty of the Registrar-General of Title to follow General Treasury Circulars issued from time to time in respect of Department and Statutory Funds.

#### PART V

#### AUDIT

Audit. 41. (1) The account of the Fund shall be audited each year by the Auditor-General.

(2) The Books of accounts and records shall be made available to the Auditor-General for audit.

(3) The following statement of accounts shall be rendered in respect of the Fund before the expiry of four months after the end of each accounting year to the Auditor-General with a copy to the Head of the Regulation Division of the Treasury—

(a) a statement of receipts and payments during the year ;

(b) a statement of income and expenditure for the year ;

(c) a statement of Assets and Liabilities as at the end of the year ; and

(d) a statement from the Central Bank certifying the balance lying to the credit of the Fund at the Central Bank.

(4) The provisions of Article 154 of the Constitution relating to the audit of accounts of public corporations shall apply to the audit of accounts of the Fund.

(5) The Auditor-General shall be reimbursed out of the Fund monies of such expenses as are incurred by him in the audit of the accounts of the Fund.

#### PART VI

#### PROCEDURES TO BE FOLLOWED IN THE ADMINISTRATION OF THE FUND

Procedures. 42. The following procedures shall be followed by the Registrar-General of Title, in relation to the administration of the Fund—

(a) At the end of each month the cash book balance shall be reconciled with the Bank balance of the Fund ;

(b) Registers should be maintained by the Head Office of the Registrar-General of Title as specified in approved form No. "RGT/IF02" to record the number of title certificates issued and the services provided by the Registrars of Title.

Entries shall be made in the register in accordance with return sent by the Registrars of Title fortnightly, substantially in approved form No. RGT/IF03.

(c) the copy of the return sent in by the Registrars of title substantially in the approved form No. RGT/IF03 fortnightly shall be filed in the Office of Registrar-General of Title.



- (d) a main cash book should be maintained by the Registrar-General of Title in General Form 50.
- (e) At the end of every fourteen days the amount collected by the Registrars of Title shall be debited separately to the main cash book by the Registrar-General of Title.
- (f) All the payment made should be entered as credits under each and every day. The date, the voucher number of the payment voucher, description of the payment ledger, folio number, amount and the payment code should be entered in the credit side of the cash book.
- (g) Where a Court Orders payment of indemnity the Registrar-General of Title shall issue a certificate to the Chief Accountant of the office of the Registrar-General of Title for payment of indemnity substantially in approved Form No. RGT/IF04.
- (h) At the end of the Month—
  - (1) forty per centum (40%) of the fees charged should be transferred to the account of the Fund. Twenty five percent of the forty percent shall be remitted to the Registrar-General of Title's account for administration of the Insurance Fund. Any balance left out of the twenty five percent (25%) credited to the Registrar-General of Title for administrative costs shall be credited to the Fund ;
  - (2) the money transferred to the account should be transferred monthly, substantially in approved Form NO. RGT/IF05 ;
  - (3) sixty percent (60%) of the fees shall be transferred to the Consolidated fund ; and
  - (4) at the end of every month no balance should remain in the cash book or the Bank account.

PART VII  
 DEFINITIONS

Unless the context otherwise requires—

“Minister “ means the Minister in charge of the department of the Registrar-General of Title.

“Act” means the Registration of Title Act, No. 21 of 1998 ;

“approved form” means a form approved by the Registrar-General of Title.


Form RGT IF/1 (Section 27)

**CERTIFICATE OF APPROVAL FOR PAYMENT OF INDEMNITY**

Section 62 of Registration of Title Act, No. 21 of 1998

This is to certify that the Board of Management of the Insurance Fund met on ..... (date) and has approved the following indemnity payments to the persons specified in the following list.

No.	Land Parcel Number	Name of Person	Address	Court Order No. and Date	Approved amount of Indemnity	Remarks

Signature : .....  
 Chairman  
 Board of Management

Member

Member

Member

Member

Name : .....

Date:

Form No. RGT/IF/02  
(Section 42)

(Division)

**HEAD OFFICE**  
**REGISTER OF MONEYS COLLECTED IN ACCORDANCE WITH THE RETURN SENT BY REGISTRARS OF TITLE**

**Collections**

Month	Return No.	Division	Issuing of Certificates Rs.	Reissuing of Certificates Rs.	Examining registers Rs.	Issuing of Extracts Rs.	Registration Fees Rs.	Others Rs.	Total Amounts Rs.
		A.							
		B.							
		C.							
		D.							
		E.							
		F.							
<b>Monthly Total</b>									

Transfer to be made To the Central Bank—

Total money collected.....

Percentage to be transferred to The Insurance Fund Account.....

Amount to be transferred to the Consolidated Fund.....

Account of the Registrar-General of Title

Prepared by :  
Checked by :

Accountant.

Form No. RGT/IF/02

Form No. RGT/IF 03

RGT

Dept. of RG of Title  
 Battaramulla.

**FORNIGHTLY RETURN OF TITLE CERTIFICATES ISSUED AND SERVICES PROVIDED**

(.....L.R.)

**DETAILS OF FEES COLLECTED**

Serial No. of Return	Numbers of the Title Certificates Issued	Details of certificates and Services provided	Date	P.V.No.	Amount No.
Total amount collected (within 14 days)					

I certify that the total amount of Rs. .... collected as per the details given above has been remitted to Account No. .... at Taprobane Branch, of the Bank of Ceylon.

Signature of R. T.

Name: .....

(Division)

Note : --- 3rd copy of the paying in voucher should be attached.

From No. RGT/IF 04  
 (Section 42)

Head Office of the Registrar General of Title,  
 To the .....Bank,  
 .....

**CERTIFICATION FOR THE PAYMENT OF INDEMNITY AND OTHER COSTS**

**DETAILS OF COURT ORDER**

<i>Date</i>	<i>Reasons for granting Indemnity</i>	<i>Date of Order</i>	<i>Reference No. of the Order</i>	<i>Court</i>	<i>Name of Payee</i>	<i>The amount of payment to be made on the Court Order</i>

The ..... Court of ..... has ordered that a sum of Rs. .... be paid as per the details given above to ..... the payee.

I hereby certify the payment of a sum of Rs. .... as the Indemnity to be paid on the order given by the ..... Court of .....

.....  
 Signature of RGT.

Copy : Central Bank.

Form No. RGT/IF/ 05.

The Manager  
 .....

INSURANCE FUND REGISTRATION TITLE ACT, No. 21 OF 1998

I hereby enclose the cheque No. .... dated ..... for an amount of  
 Rs. .... to be credited to the above fund.

Accountant,  
 Department of Registrar General of Title,  
 Battaramulla.

09-244
