

- (e) a penalty of two hundred *per centum* of the value of additional tax where such person has—
 - (i) concealed the particulars of his income, or furnished inaccurate particulars of such income; and
 - (ii) sought to evade by reason of concealment of particulars of his income or the furnishing of inaccurate particulars of such income,

and by notice in writing require such associated enterprise, to pay such penalty within such period as may be specified in such notice.

Failure to
comply with
notice to give
information.

185. (1) A person who fails to comply with a request for information properly made under this Act, within the specified time, shall be liable for a penalty of an amount not exceeding one million rupees.

(2) Before assessing a penalty, the Commissioner-General shall issue a notice of warning, and no penalty shall be due under this section where the taxpayer complies with the warning notice within thirty days of service of the notice.

CHAPTER XVIII

CRIMINAL PROCEEDINGS

Criminal
proceedings.

186. (1) The Commissioner-General may investigate an offence under this Act.

(2) The Attorney-General or a delegate authorized by the Attorney-General shall prosecute any person who commits an offence under this Act. Such criminal proceedings shall be initiated in the name of the Commissioner-General.

(3) Proceedings under this Act shall not affect criminal proceedings that may be brought under any other law.

(4) Where, in respect of a single act, omission or course of conduct, a person is convicted for more than one offence under this Chapter—

- (a) the maximum term of imprisonment imposed for the offences shall not exceed a term of five years; and
- (b) the person shall not subsequently be prosecuted for additional offences in relation to the same act, omission or course of conduct.

(5) No penalty shall be payable under Chapter XVII in respect of an act, omission or course of conduct by a person where—

- (a) the person has been convicted of an offence under this Chapter in respect of the same act, omission or course of conduct; or
- (b) the offence has been compounded by the Court with the consent of the Commissioner-General.

187. A person who wilfully aids, abets, assists, counsels, incites or induces another person to commit a criminal offence under this Chapter shall be liable on conviction to the same punishment as if the offence had been committed by that person. Aiding and abetting.

188. Proceedings under this Chapter may be commenced where the offence alleged involves — Period of limitations.

- (a) the doing of an act, within twelve years after the doing of the act;
- (b) the failure to do an act, within twelve years after the failure occurred or, if later, within three years after the Commissioner-General becomes aware of the failure; or

- (c) the non-disclosure or incorrect disclosure by a person of information relating to that person's liability to pay tax, within three years after the person's correct liability to tax becomes final for that tax period.

Tax evasion.

189. A person who wilfully evades or attempts to evade the assessment, payment or collection of tax or who wilfully and fraudulently claims a refund of tax to which the person is not entitled, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding ten million rupees or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

Impeding tax administration.

190. (1) A person who wilfully impedes or attempts to impede the Department in the administration of this Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one million rupees or to imprisonment for a term not exceeding one year or to both such fine and imprisonment.

(2) For the purposes of this section, a person impedes the administration of this Act if the person—

- (a) fails to comply with a lawful request by a tax official to examine documents, records, or data within the control of the person;
- (b) fails to comply with a lawful request by a tax official to have the person appear before officials of the Department;
- (c) interferes with the lawful right of a tax official to enter into premises;
- (d) fails to file a return;
- (e) uses a false taxpayer identification number or a taxpayer identification number that does not apply to the person;

- (f) refuses to allow the Commissioner-General or authorized officer to inspect or measure land or refuses to deliver for inspection any map, plan, title deed, instrument of title or other document;
- (g) makes a statement to a tax official that is false or misleading in a material particular;
- (h) fails to comply with a notice issued under section 170;
- (i) fails to maintain required records; or
- (j) otherwise impedes the determination, assessment or collection of tax.

191. A person who contravenes subsection (2) or (3) of section 100 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding one million rupees or to imprisonment for a term not exceeding one year or to both such fine and imprisonment.

Failure to preserve secrecy.

192. A tax official who, in carrying out the provisions of this Act—

Offences by tax officials.

- (a) directly or indirectly asks for or takes, in connection with the officer's duties, a payment or reward, whether pecuniary or otherwise or a promise or security for the payment or reward, not being a payment or reward which the officer is lawfully entitled to receive; or
- (b) enters into or acquiesces in an agreement to do, permit, conceal or connive at an act or thing that is contrary to the provisions of this Act or to the proper execution of the officer's duty or that has the effect that the tax revenue is or may be defrauded,

commits an offence and shall be liable on conviction to a fine not exceeding one million rupees or to imprisonment for a term not exceeding one year or to both

such fine and imprisonment and the Court may, in addition to imposing a fine, order the convicted person to pay to the Commissioner-General an amount of tax that has not been paid as a result of the officer's wrongdoing and which cannot reasonably be recovered from the person liable for the tax.

Compounding
of offences.

193. (1) Where a person has committed an offence under this Chapter, other than an offence under section 191 or 192, the Commissioner-General may, at any time prior to the commencement of the hearing by a Court of the proceedings relating thereto, compound the offence and order the person to pay the sum of money as specified by the Commissioner-General, not exceeding the maximum amount of the fine specified for the offence.

(2) The Commissioner-General may compound an offence under this section only if the person concerned requests the Commissioner-General in writing to do so.

(3) Where the Commissioner-General compounds an offence under this section, the order referred to in subsection (1) shall—

- (a) be in writing and have attached the written request referred to in subsection (2);
- (b) specify—
 - (i) the offence committed;
 - (ii) the sum of money to be paid; and
 - (iii) the due date for the payment; and
- (c) be served on the person who committed the offence.

(4) An order under subsection (3) shall be final and shall not be subject to appeal.

(5) Where the Commissioner-General compounds an offence under this section, the offender shall not be liable for prosecution or penalty in respect of that offence.

(6) The Commissioner-General's power under this section shall be subject to the powers of the Attorney-General under the Constitution and the Code of Criminal Procedure Act, No. 15 of 1979, and the Commissioner-General shall give the Attorney-General a copy of the order referred to in subsection (3) at the time it is served on the taxpayer.

(7) The amount ordered to be paid under subsection (1) shall be recoverable as if it were tax due and payable under this Act.

CHAPTER XIX

REGULATIONS

194. (1) The Minister may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Act and for matters authorised to be made or prescribed under this Act. Regulations.

(2) A regulation made under this section, other than a regulation—

- (a) prescribing a penalty for; or
- (b) enhancing a penalty prescribed for,

the contravention of or failure to comply with, a regulation made under this section,

may be declared to take effect from a date earlier than the date of its publication in the *Gazette*.

(3) A regulation prescribing a penalty for the contravention of or failure to comply with a regulation, shall not come into operation until it is approved by Parliament and notice of such approval is published in the *Gazette*.