

**PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF**   
**SRI LANKA**

**REGULATION OF ELECTION EXPENDITURE**

**ACT, No. 3 OF 2023**

**[Certified on 24th of January, 2023]**

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*Act, No. 3 of 2023*

[Certified on 24th of January, 2023]

L.D.-O. 30/2018

AN ACTTOREGULATETHEEXPENDITUREINCURREDBYRECOGNIZED POLITICALPARTIES, INDEPENDENTGROUPSANDCANDIDATESATEVERY ELECTIONCONDUCTEDUNDERTHE LOCAL AUTHORITIES ELECTIONS ORDINANCE (CHAPTER 262); THE PROVINCIAL COUNCILS ELECTIONS ACT, NO. 2 OF 1988; THE PARLIAMENTARY ELECTIONS ACT, NO. 1 OF 1981 ANDTHE PRESIDENTIAL ELECTIONS ACT, NO. 15 OF 1981

ANDTOPROVIDEFORMATTERSCONNECTEDTHEREWITHORINCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows: -

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| **1.** This Act may be cited as the Regulation of Election Expenditure Act, No. 3 of 2023.  **2.** The provisions of this Act shall apply to every election conducted under – | | Short title  Application of  this Act  Authorized  amount |
| (*a*) | the Local Authorities Elections Ordinance |
| (Chapter 262); | |
| (*b*) | the Provincial Councils Elections Act, No. 2 of |
| 1988; | |
| (*c*) | the Parliamentary Elections Act, No. 1 of 1981; |
| and | |
| (*d*) | the Presidential Elections Act, No. 15 of 1981. |
| **3.** (1) Within a period of five days after the conclusion of the period of nomination specified in the Proclamation or Order requiring the conduct of an election under any law specified in section 2, the Election Commission shall, in consultation with the recognized political parties, and the independent groups contesting such election***,*** fix by Order published in the *Gazette*, a sum of money in Sri Lankan rupees to be used for the purpose of calculating an authorized amount, in accordance with the provisions of this section, | |

for such election:

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Provided however, in the case of a presidential election, every candidate who has not been nominated by a political party shall be consulted.

(2) Such sum of money to be fixed under subsection (1) shall be calculated taking into consideration the prevailing inflation rate and the National Consumer Price Index of Sri Lanka.

(3) The authorized amount in relation to a candidate shall be calculated as follows:-

(*a*) in the case of an election conducted under the Local   
 Authorities Elections Ordinance (Chapter 262), the   
 amount in Sri Lankan rupees resulting from the   
 multiplication of the total number of registered   
 voters in the ward of the local authority contested   
 by the candidate, by such amount of Sri Lankan   
 rupees as may be fixed for that election by the   
 Election Commission under subsection (1);

(*b*) in the case of an election conducted under the   
 Provincial Councils Elections Act, No. 2 of 1988,   
 the amount in Sri Lankan rupees resulting from the   
 multiplication of the total number of registered   
 voters in the administrative district contested by   
 the candidate, by such amount of Sri Lankan rupees   
 as may be fixed for that election by the Election   
 Commission under subsection (1);

(*c*) in the case of an election conducted under the   
 Parliamentary Elections Act, No. 1 of 1981, the   
 amount in Sri Lankan rupees resulting from the   
 multiplication of the total number of registered   
 voters in the electoral district contested by the   
 candidate, by such amount of Sri Lankan rupees as   
 may be fixed for that election by the Election   
 Commission under subsection (1);

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(*d*) in the case of an election conducted under the   
 Presidential Elections Act, No. 15 of 1981, the   
 amount in Sri Lankan rupees resulting from the   
 multiplication of the total number of registered   
 voters in the electoral districts in the Island, by   
 such amount of Sri Lankan rupees as may be fixed   
 for that election by the Election Commission under   
 subsection (1).

(4) The authorized amount in relation to recognized political parties and independent groups shall be calculated by taking into consideration the sum of money referred to in subsection (1), the total number of registered voters in the local authority area or the administrative district or the electoral district or the electoral districts in the Island as the case may be, contested by each recognized political party or independent group at an election conducted under any law specified in section 2 and the number of candidates nominated by such recognized political party or independent group to contest such election.

(5) The authorized amount calculated in accordance with the provisions of subsections (3) and (4), shall be published in the *Gazette* on the same day, on which the Order under subsection (1) is published in the *Gazette*.

(6) The consultation process referred to in subsection (1) may be conducted by the Election Commission through the relevant returning officers.

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| **4.** (1) A recognized political party, an independent group and a candidate at an election conducted under any law specified in section 2, shall not incur expenditure in excess of the authorized amounts referred to in subsections (3) and (4) of section 3 as the case may be, in respect of such election. | Restriction on  election  expenditure by a recognized  political party,  an independent group and a |

candidate

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(2) Where a candidate incurs expenditure in excess of the authorized amount referred to in subsection (3) of section 3 in respect of such election, such candidate commits an offence of an illegal practice within the meaning of the law specified in section 2 under which such election was conducted and, shall be liable to the penalties imposed under such law in respect of the offence of an illegal practice, unless such candidate proves that such expenditure was incurred without any sanction or connivance of such candidate.

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| Prohibition on the acceptance of certain  donations | **5.** (1) A recognized political party, an independent group and a candidate at an election conducted under any law specified in section 2, shall not, directly or indirectly accept or receive a donation or contribution whether such donation |

or contribution is in cash or kind from-

(*a*) a government department, a public corporation or   
 a company incorporated under the Companies Act,   
 No.7 of 2007 or under any former written law relating   
 to companies in which the government or a public   
 corporation owns any shares;

(*b*) a foreign government, an international organization   
 or a body corporate incorporated or registered   
 outside Sri Lanka;

(*c*) a company incorporated in Sri Lanka under the   
 Companies Act, No. 7 of 2007 or under any former   
 written law relating to companies where the foreign   
 shareholding in such company, either direct or   
 indirect, is fifty percent or above; or

(*d*) any personwhose identity is not disclosed,

for the purpose of promoting or procuring the election of such recognized political party, independent group or candidate at such election.

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(2) A candidate who contravenes the provisions of subsection (1) commits an offence of an illegal practice within the meaning of the law specified in section 2 under which such election was conducted and shall be liable to the penalties imposed under such laws in respect of the offence of an illegal practice.

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| **6.** (1) Every recognized political party, independent group and candidate at an election conducted under any law specified in section 2 shall within twenty-one days of the date of publication of the result of such election, submit to the respective authority specified in subsection (3) - | | Submission of return of  donations or  contributions received and  expenditure  incurred |
| (*a*) | a return of all donations or contributions accepted |

or received by such recognized political party, an   
independent group or candidate on behalf of such   
recognized political party, independent group or   
candidate; and

(*b*) a return of all expenses incurred by such recognized   
 political party, independent group or candidate on   
 behalf of such recognized political party,   
 independent group or candidate,

for promoting or procuring the election of such recognized political party, independent group or candidate.

(2) For the purposes of this section “date of publication of the results of such election” means, the date of publication of results –

(*a*) under section 66 of the Local Authorities Elections   
 Ordinance (Chapter 262) in the case of an election   
 conducted under that Ordinance;

(*b*) under section 60 of the Provincial Councils   
 Elections Act, No. 2 of 1988 in the case of an   
 election conducted under that Act;

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(*c*) under section 62 of the Parliamentary Elections Act,   
 No. 1 of 1981 in the case of an election conducted   
 under that Act; and

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| (*d*) | under section 64(2) of the Presidential Elections Act, No. 15 of 1981 in the case of an election conducted under that Act. |

(3) The returns referred to in subsection (1) shall be submitted by the recognized political party, independent group and candidate –

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| (*a*)  (*b*)  (*c*)  (*d*) | to the returning officer of the respective local authority area with a copy to the Election Commission, in the case of an election conducted under the provisions of the Local Authorities Elections Ordinance (Chapter 262);  to the returning officer of the respective administrative district with a copy to the Election Commission, in the case of an election conducted under the Provincial Councils Elections Act, No. 2 of 1988;  to the returning officer of the respective electoral district with a copy to the Election Commission, in the case of an election conducted under the Parliamentary Elections Act, No. 1 of 1981; or  to the Election Commission, in the case of an election conducted under the Presidential Elections Act, No. 15 of 1981. |

(4) The return referred to in paragraph (*a*) of subsection (1) shall state -

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| (*a*) | the amount of every donation or contribution accepted or received by or on behalf of such recognized political party, independent group or candidate, and if the donation or contribution is in kind, the estimated value of the donation or |

contribution;

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(*b*) whether such donation or contribution was by way   
 of gift, loan, advance or deposit; and

(*c*) the name, address and National Identity Card   
 number or registration number as the case may be,   
 of the individual or body of persons incorporated   
 or unincorporated making such donation or   
 contribution.

(5) The return referred to in paragraph (*b*) of subsection (1) shall include expenditure incurred by or on behalf the recognized political party, independent group or candidate, whether paid or unpaid for –

(*a*) the printing, publication, pasting, exhibition or   
 display of, advertisements, handbills, flags,   
 drawings, photographs, placards or posters relating   
 to such election;

(*b*) the production and broadcast, on radio or television   
 of advertisements relating to such election;

(*c*) the production and publication in newspapers,   
 journals, social media, digital hoardings or any   
 other digital media, or other publications of   
 advertisements relating to such election;

(*d*) the hiring or use of any premises or equipment for   
 the holding of meetings relating to such election;

(*e*) the hiring of vehicles for activities relating to such   
 election other than expenditure for the hiring of   
 vehicles for the transport of the candidate; and

(*f*) the provision of fuel for the running of those   
 vehicles,

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together with bills and receipts confirming the same, and if the above services were obtained without payment, the names and the addresses of the persons from whom such services were obtained shall be included:

Provided however, the expenditure incurred by or on behalf of the recognized political party, independent group or candidate for –

(*a*) the transport of the candidate within the area for   
 which the election is being held; and

(*b*) the stationery, telephone or other means of   
 communication,

shall not be included in the return referred to in paragraph (*b*) of subsection (1).

(6) The returns referred to in subsection (1) shall be signed by the secretary to the recognized political party, group leader of the independent group or the candidate as the case may be and accompanied by a declaration signed by such secretary, group leader or candidate and attested by a Justice of the Peace, to the effect that the information in such returns is to the best of the knowledge of such secretary, group leader or candidate, true and correct.

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| Publication of  notice relating to receipt of  returns and  declarations | **7.** (1) On receipt of the returns and declarations submitted under section 6 – | |
| (*a*) | the respective returning officer, in the case of an |
| election conducted under the Local Authorities | |

Elections Ordinance (Chapter 262), the Provincial   
Councils Elections Act, No. 2 of 1988 or the   
Parliamentary Elections Act, No. 1 of 1981; and

(*b*) the Election Commission, in the case of an election   
 conducted under the Presidential Elections Act, No.

15 of 1981,

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shall cause a notice to be published in at least one national newspaper in the Sinhala, Tamil and English languages stating that the returning officer or the Election Commission, as the case may be, has received the returns and declarations submitted by the recognized political party, independent group or candidate named in the notice and indicating the place and time at which such returns and declarations may be inspected by any person.

(2) The notice referred to in subsection (1), shall be published within ten days after the expiry of the time period specified in subsection (1) of section 6.

(3) The returning officer and the Election Commission shall permit a person to inspect the returns and declaration made by a recognized political party, an independent group or a candidate at the place and time mentioned in the notice published under subsection (1) and shall allow such person to take copies of such returns or declaration on payment of a fee of such amount as may be determined by the Election Commission.

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| **8.** Every candidate, at an election conducted under any law specified in section 2, who – | | Offence of an  illegal practice |
| (*a*) | fails, without reasonable cause, to comply with the |

provisions of subsection (1) of section 6; or

(*b*) makes any statement in any such return submitted   
 under subsection (1) of section 6 or in a declaration   
 made under subsection (6) of section 6, being a   
 statement which such person knows, or ought   
 reasonably to have known, to be false,

commits an offence of an illegal practice within the meaning the law specified in section 2 under which such election was conducted, and shall be liable to penalties specified by such law for the commission of an illegal practice.

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Interpretation **9.** In this Act, unless the context otherwise requires -

“administrative district” means, the administrative   
district established under the Administrative   
Districts Act (Chapter 392);

“donation or contribution accepted or received on   
behalf of a recognized political party, an   
independent group or a candidate” means,   
such donation or contribution which is   
accepted or received directly or indirectly   
with the express or implied consent of the   
recognized political party, the independent   
group or candidate;

“election” means, an election conducted under –

(*a*) the Local Authorities Elections   
 Ordinance (Chapter 262);

(*b*) the Provincial Councils Elections Act,   
 No. 2 of 1988;

(*c*) the Parliamentary Elections Act, No. 1   
 of 1981;

(*d*) the Presidential Elections Act, No. 15 of   
 1981;

“electoral district” means, an electoral district   
specified in a Proclamation under Article   
97 of the Constitution and for the time being   
in force; and

“local authority” means, a Municipal Council,   
Urban Council or Pradeshiya Sabha.

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| Sinhala text to  prevail in case  of inconsistency | **10.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. |

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