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

**Part II of November 15, 2019**   
**SUPPLEMENT**   
(*Issued on 20.11.2019 )*



**ECONOMIC SERVICE CHARGE (AMENDMENT)**

**A**   
**BILL**

**to amend the Economic Service Charge Act, No. 13 of 2006**

*Ordered to be published by the Minister of Finance*

PRINTEDATTHEDEPARTMENTOFGOVERNMENTPRINTING, SRILANKA

TOBEPURCHASEDATTHEGOVERNMENTPUBLICATIONSBUREAU, COLOMBO5

**Price :Rs. 12.00**  **Postage : Rs. 15.00**

*This Gazette Supplement can be downloaded from* www.documents.gov.lk 

*STATEMENT OF LEGAL EFFECT*

*Clause 2* : This clause amends section 2 of the Economic Service Charge Act, No. 13 of 2006 (hereinafter referred to as the “principal enactment”) and the legal effect of the section as amended is to revise the service charge applicable on the importation of certain articles or goods.

*Clause 3 :* This clause amends section 9 of the principal enactment and is consequential to the provisions of the Inland Revenue Act, No. 24 of 2017.

*Clause 4 :* This clause amends section 11 of the principal enactment and is consequential to the provisions of the Inland Revenue Act, No. 24 of 2017.

*Clause 5 :* This clause amends section 13 of the principal enactment and the legal effect of the section as amended is to amend the definitions of the terms “distributor” and “Inland Revenue Act”.

|  |  |
| --- | --- |
| *Economic Service Charge (Amendment)* | 1 |

L.D.—O 16/2019

AN ACTTOAMENDTHE ECONOMIC SERVICE CHARGE   
ACT, NO. 13 OF 2006

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

|  |  |  |
| --- | --- | --- |
| 5 | **1.** (1) This Act may be cited as the Economic Service | Short title |
| Charge (Amendment) Act, No. of 2019. | and date of |
| operation. |
| (2) The provisions of sections 3, 4 and 5 shall be deemed |

to have come into operation on April 1, 2018.

|  |  |  |
| --- | --- | --- |
| **2.** | Section 2 of the Economic Service Charge Act, | Amendment of section 2 of Act,  No. 13 of |
| No. 13 of 2006 (hereinafter referred to as the “principal enactment”) is hereby amended as follows:— | |

2006.

|  |  |  |  |
| --- | --- | --- | --- |
| 10 | (1) | in subsection (1) of that section— | |
| (*a*) | in paragraph (*b*) of that subsection by the |

substitution for the words “of such person or   
partnership”, of the words and figures “of such   
person or partnership, on or prior to the date

|  |  |  |
| --- | --- | --- |
| 15 | (*b*) | of commencement of this Amendment Act”; |
| in paragraph (*c*) of that subsection by the |

substitution for the words “on or after the date of commencement of this Act”, of the words and figures “on or after October 4, 2018, but 20 prior to the date of commencement of this Amendment Act”;

(*c*) by the addition immediately after paragraph   
 (*c*) of that subsection, of the following new   
 paragraph:-

2 *Economic Service Charge (Amendment)*

“(*d*) on or after the commencement of this Amendment Act, on the aggregate of Cost, Insurance and Freight (CIF) value certified by the Director-General of 5 Customs and the amount of any custom import duty payable under the Customs Ordinance (Chapter 235), special commodity levy payable under the Special Commodity Levy Act, No. 48

|  |  |
| --- | --- |
| 10 | of 2007, excise duty payable under the Excise (Special Provisions) Act, No. 13 |

of 1989, Cess payable under Sri Lanka Export Development Act, No. 40 of 1979 and ports and airports 15 development levy payable under the Ports ans Airports Development Levy Act, No. 18 of 2011, in respect of every consignment of imports of any article or good, other than any article or good

|  |  |  |
| --- | --- | --- |
| 20 | (*d*) | prescribed by the Minister,”; and |
| in the proviso to that subsection by the |

substitution for the words and figures “but   
prior to April 1, 2016”, of the words and figures  
“but prior to April 1, 2016 and on or after

|  |  |  |
| --- | --- | --- |
| 25 | (2) | October 1, 2019”. |
| the proviso to paragraph (*b*) of subsection (3) of |

that section is hereby amended as follows:-

(*a*) in paragraph (*b*) thereof by the substitution   
 for the words “turnover of such person; and”,

|  |  |  |
| --- | --- | --- |
| 30 | (*b*) | of the words “turnover of such person;”; |
| in paragraph (*c*) thereof by the substitution |

for the words “Central Bank of Sri Lanka.”,   
of the words “Central Bank of Sri Lanka;   
and”; and

*Economic Service Charge (Amendment)*  3

(*c*) immediately after paragraph (*c*) thereof by   
 the addition of the following new paragraph:-

“(*d*) in the case of a tea factory owner carrying on the business of tea 5 manufacturing, the share of proceed paid to the tea smallholders who supplied green tea leaf from the proceed of sale of tea manufactured in the tea factory shall be deemed not to form part 10 of the turnover of such tea factory owner.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | **3.** Subsection (4) of section 9 of the principal enactment | | Amendment |
| is hereby amended as follows:– | | of section 9 |
| of the |
| (1) | in sub paragraph (ii) of paragraph (*a*) of that sub | principal |
| enactment. |
| section by the substitution for the words and figures | |

“relevant quarter commencing on or after April 1,   
2014”, of the words “relevant quarter commencing   
on or after April 1, 2014, but prior to April 1, 2018,”;

|  |  |  |
| --- | --- | --- |
| 20 | (2) | in paragraph (*b*) of that subsection by the |
| substitution for the words “within which such |

relevant quarter falls.”, of the words “within which   
such relevant quarter falls;”; and

(3) by the addition immediately after paragraph (*b*) of   
 that subsection, of the following new paragraphs:-

|  |  |  |
| --- | --- | --- |
| 25 | “(*c*) | who or which has made a return for any |
| relevant quarter in any year of assessment on |

or before the dates referred to in subsection   
(2) of section 7, where such relevant quarter   
is any relevant quarter commencing on or after

|  |  |
| --- | --- |
| 30 | April 1, 2018, after the expiry of thirty months from the thirtieth day of November of the year |

of assessment immediately succeeding the   
year of assessment within which such relevant   
quarter falls, subject to subsection (3) of

4 *Economic Service Charge (Amendment)*

section 135 of the Inland Revenue Act, No.   
24 of 2017, if his or its return of income has   
been made under subsection (1) of section 93   
of the Inland Revenue Act, No. 24 of 2017;

|  |  |  |
| --- | --- | --- |
| 5 | (*d*) | who or which has failed to make a return on |
| or before such date as referred to in |

paragraph (*c*) after the expiry of a period of   
thirty months (subject to subsection (3) of   
section 135 of the Inland Revenue Act, No.

10 24 of 2017) from the date on which the notice of assessment served to the tax payer in terms of section 133 or 134 of the Inland Revenue Act, No. 24 of 2017.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | **4.** Section 11 of the principal enactment is hereby further | | Amendment |
| amended as follows:- | | of section 11 |
| of the |
| (1) | by renumbering that section as subsection (1) of | principal |
| enactment. |

that section;

|  |  |  |
| --- | --- | --- |
| 20 | (2) | in the renumbered subsection (1) by the substitution |
| for the words and figures “The provisions of Chapter |
| XXIII, XXIV, XXV, XXVI, XXVII, XXVIII, XXIX, |

XXX and XXXI of the Inland Revenue Act,”, of the words and figures “ (1) The provisions of Chapter XXIII, XXIV, XXV, XXVI, XXVII, XXVIII, XXIX, XXX and XXXI of the Inland Revenue Act, No. 10 25 of 2006, for the relevant quarter or year of assessment prior to April 1, 2018,”;

(3) by the addition immediately after subsection (1) of   
 that section, of the following new subsection:-

“(2) The provisions of Chapter IX, X, XII,

|  |  |
| --- | --- |
| 30 | XIII, XIV, XVI, XVII, XVIII,XIX and XX of the Inland Revenue Act, No. 24 of 2017, for |

the relevant year of assessment commencing

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| 5 | *Economic Service Charge (Amendment)* | | | | 5 | Amendment |
| on or after April 1, 2018, relating respectively | | | | |
| to administration provisions, record keeping | | | | |
| and information collection, assessments, | | | | |
| objection and appeals, liability for and | | | | |
| payment of tax, recovery of tax, penalties, | | | | |
| criminal proceedings, regulations and | | | | |
| 10 | interpretation shall *mutatis mutandis*, apply | | | | |
| respectively to administration provisions, | | | | |
| record keeping and information collection, | | | | |
| assessment, objection and appeals, liability | | | | |
| for and payment of tax, recovery of tax, | | | | |
| penalties, criminal proceedings, regulations | | | | |
| and interpretation under this Act.”. | | | | |
| **5.** Section 13 of the principal enactment is hereby | | | | |
| 15 | amended as follows:- | | | | | of section 13 |
| of the |
| 20 | (1) | by the repeal of the definition of the expression | | | | principal |
| enactment. |
| “distributor” and the substitution therefor of the | | | | |
| following definition:- | | | | |
| ““distributor” in relation to any manufacturer | | | | |
| or producer or importer of any goods in | | | | |
| 25 | Sri Lanka means any person or | | | | |
| partnership, | | appointed | by | such |
| manufacturer or producer or importer for | | | | |
| the sale in the wholesale market, of such | | | | |
| goods, at such price as may be determined | | | | |
| by such manufacturer or producer or | | | | |
| importer, from time to time;”; and | | | | |
| 30 | (2) | by the repeal of definition of the expression | | | |
| “Inland Revenue Act” and the substitution therefor, | | | | |
| of the following definition:- | | | | |

““Inland Revenue Act” means the Inland   
Revenue Act, No. 24 of 2017 as the case   
may be or any successor thereto providing   
for the taxation of income;”.

|  |  |  |
| --- | --- | --- |
| 35 | **6.** In the event of any inconsistency between the Sinhala | Sinhala text |
| and Tamil texts of this Act, the Sinhala text shall prevail. | to prevail in |
| case of |

inconsistency.

|  |  |
| --- | --- |
| 6 | *Economic Service Charge (Amendment)* |

DEPARTMENTOFGOVERNMENTPRINTING