**Discussion on the tax system of Sri Lanka**

Tax system of a country is the primary mechanism of revenue generation. Sri Lanka has experienced a significant change in its tax system for the years. These changes have led to a considerable shrinking in Sri Lanka’s tax base across various taxes. Thus, as law students and as responsible citizens of the society, apperceiving the basic need to be vigilant of the economic policy changes taking place at the time, the Commercial Law Cluster of the Thulawa Association of Faculty of Law at the University of Colombo created this discourse on the topic of “How the new tax policy introduced by the Government will address the subsisting economic crisis”.

In an era of considerable financial hardship in the country, the Thulawa Association prospered in creating an efficacious dialogue by analyzing the context of the new tax policy and analyzing it with a critical eye on May 23, 2023 at Hall A of the Faculty of Law of the University of Colombo with the participation of undergraduates and lecturers of the Faculty. In order to build that conversation successfully, the Secretary of the Finance Commission, Mr. A.T.M.U.D.B. Tennakoon and the Director of Finance Commission, Mr. Chandradasa Liyanaarachchi, as well as Mr. Suresh Perera, the Manager of the Tax and Regulatory, KPMG Sri Lanka provided their wealth of knowledge, substantial expertise and professional experience.

Through our in-depth conversation, panelists exchanged insights on various topics. This included a comprehensive exploration of how a nation's tax policy can significantly influence to its economic progress. We delved into the crucial significance of adhering to well-defined tax principles and the substantial impact they can have. Furthermore, we discussed constructive recommendations for the accurate implementation of these fundamental tax principles, specifically tailored to the context of Sri Lanka. An essential focal point of our discussion was the anticipated response of international trade and global economic interactions to the imposition of higher taxes during an economic crisis. Since such current topics directly attack the common citizens, the controversial context of whether the expected effective answers can be obtained by raising taxes due to the negative results arising through imposing a heavy tax burden on them was further addressed. In our discussion, the focus is notably on the local government system in Sri Lanka, which places significant emphasis on strategically allocating taxes from ordinary citizens to foster economic prosperity through effective methods.

We would like to express our sincere gratitude to Dr. Darshika Pathirana and Lecturer, Mrs. Wathsala Samaranayake for their unwavering advice and guidance, which were crucial to the successful completion of the discussion.