

PARLIAMENT OF CEYLON

3rd Session 1958-59



Tea (Tax and Control of Export) Act, No. 16 of 1959

Date of Assent: May 15, 1959

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AN ACT TO IMPOSE A TAX ON TEA SOLD AT A COLOMBO TEA AUCTION OR EXPORTED FROM CEYLON, TO CONTROL THE EXPORT OF TEA, TO SUSPEND CERTAIN PROVISIONS OF THE TEA CONTROL ACT, NO. 51 OF 1957, AND TO PROVIDE FOR MATTERS CONNECTED WITH OR INCIDENTAL TO THE AFORESAID MATTERS.

[Date of Assent: May 15, 1959]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Tea (Tax and Control of Export) Act, No. 16 of 1959, and shall come into operation on such date as the Minister may appoint by Order published in the *Gazette*.

Short title
and date of
operation.

2. (1) Where any tea—
(a) is sold at a Colombo tea auction, or
(b) is exported from Ceylon and sold at a London tea auction,

Tax on tea
which is sold
at a Colombo
tea auction
and on tea
exported from
Ceylon and
sold at a
London tea
auction.

at a price which is, or which when expressed in terms of Ceylon currency and after the deductions specified in sub-section (3) are made therefrom is, in excess of one rupee and eighty-five cents per pound, there shall be charged, levied and paid in respect of each pound of the tea so sold a tax which shall—

- (i) where that excess is not more than one rupee and forty cents, be equal to one half of that excess, and
(ii) where that excess is more than one rupee and forty cents, be equal to seventy cents:

Provided that where the tax which, but for this proviso, would be payable under the preceding provisions of this sub-section on any tea in respect of its first resale at a Colombo tea auction is in excess of the tax under those provisions on that tea in respect of its sale at such an auction before such first resale, there shall, in lieu of the tax under those provisions, be charged, levied and paid on that tea in respect of such first resale a tax equal to the amount of such excess.

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(2) For the purpose of expressing in terms of Ceylon currency the price at which a pound of tea exported from Ceylon for sale at a London tea auction was sold on any day at such an auction, the rate of exchange shall be the rate of exchange specified under section 19 of the Customs Ordinance and in force on that day.

(3) The deductions which, for the purposes of sub-section (1), shall be made from the price at which a pound of tea exported from Ceylon for sale at a London tea auction is sold at such an auction shall be—

(a) the export duty and any cess paid in Ceylon on that pound of tea, and

(b) the amount fixed by the Minister by Order published in the *Gazette* in respect of a pound of tea exported from Ceylon for sale at a London tea auction, to cover the cost of freight, insurance and handling.

3. Where any tea is sold at a Colombo tea auction, the person who is the owner of the tea at the time of the sale shall pay to the Commissioner, not later than ten working days after the date of the sale, the tax payable in respect of such tea under section 2.

4. (1) The owner of tea which is authorised by a permit issued under this Act to be exported from Ceylon for sale at a London tea auction shall pay to the Commissioner the tax payable on such tea under section 2 in accordance with the following provisions:—

(a) An advance payment in respect of such tax shall be made to the Commissioner before the issue of such permit.

(b) The amount of the advance payment referred to in paragraph (a) of this sub-section shall be determined by the Commissioner according to such rates of advance payment as shall be fixed by the Minister by Order published in the *Gazette*. The Minister may in any Order under this paragraph fix different rates of advance payment for different qualities of tea.

(c) Not later than three months after the date of the sale of the tea at a London tea auction, the amount of the difference, if any, between the tax payable on the tea under section 2 and the advance payment made under paragraph (a) of this sub-section shall be paid to the Commissioner.

Person liable to pay the tax on tea sold at a Colombo tea auction.

Person liable to pay the tax on tea sold at a London tea auction and manner of payment.

(2) Where the advance payment made under paragraph (a) of sub-section (1) in respect of any tea exceeds the amount of the tax payable on that tea under section 2, the Commissioner shall either credit the excess to the account of the owner of that tea in the books maintained by the Commissioner for the purposes of this Act or refund the excess to such owner.

5. (1) The Commissioner shall, on the basis of the current prices at which tea is sold at a Colombo tea auction, determine, for the purposes of sub-section (2), the price, hereafter in this section referred to as the "assessed price", which a pound of—

- (a) any tea produced in Ceylon by the English and Scottish Joint Co-operative Wholesale Society Ltd, or
- (b) any tea which is not tea referred to in paragraph (a) of this sub-section or in sub-section (1) of section 2 and which is authorised by a permit issued under this Act to be exported from Ceylon,

would reasonably be expected to fetch on any day if such tea were sold on that day at a Colombo tea auction.

(2) Before the issue of the permit under this Act authorising the export from Ceylon of any tea to which sub-section (1) applies, there shall be charged, levied and paid in respect of each pound of such tea a tax which shall—

- (a) where the assessed price of a pound of such tea on the day on which such permit is issued exceeds one rupee and eighty-five cents by not more than one rupee and forty cents, be equal to one half of that excess, and
- (b) where such assessed price exceeds one rupee and eighty-five cents by more than one rupee and forty cents, be seventy cents.

Tax on tea
produced in
Ceylon and
exported from
Ceylon by the
English and
Scottish Joint
Co-operative
Wholesale
Society Ltd
and on
any other tea
so exported
except tea to
which section 2
applies.

(3) The person for the time being holding the office of Manager in Ceylon of the English and Scottish Joint Co-operative Wholesale Society Ltd shall pay the tax under sub-section (2) in respect of tea produced by that Society.

(4) The owner of any tea referred to in paragraph (b) of sub-section (1) shall pay the tax under sub-section (2) in respect of that tea.

Power to vary
the rate of
tax imposed
under this Act
and its method
of calculation
or to abolish
such tax.

6. (1) The rate and the method of calculation, of any tax imposed under this Act may be varied, or any such tax may be abolished, by the Minister of Finance, in consultation with the Minister, by Order published in the *Gazette*.

(2) Every Order under sub-section (1) shall come into force on the date of its publication in the *Gazette* or on such later date as may be specified in the Order, and shall be brought before the House of Representatives within a period of one month from the date of the publication of such Order in the *Gazette*, or, if no meeting of the House of Representatives is held within such period, at the first meeting of the House of Representatives held after the expiry of such period by a motion that such Order shall be approved. There shall be set out in a schedule to every such motion the text of the Order to which the motion refers.

(3) Any Order under sub-section (1) which the House of Representatives refuses to approve shall, with effect from the date of such refusal, be deemed to be revoked but without prejudice to the validity of anything done thereunder. Notification of the date on which any such Order is deemed to be revoked shall be published in the *Gazette*.

Export of tea
under the
authority of
a permit, etc.

7. (1) No person shall export tea except under the authority of a permit issued by the Commissioner:

Provided that no permit shall be required for the export of—

(a) any tea, not exceeding fourteen pounds in weight, despatched as a gift by parcel post or taken as part of the personal baggage of a passenger on any vessel or aircraft, or

(b) any tea sent as commercial samples.

(2) Where such payments in respect of the tax under this Act on any tea as are required by this Act to be made before the export of that tea from Ceylon are made, the Commissioner shall issue to the holder of the permit under this section authorising the export of that tea from Ceylon a certificate stating that those payments have been made.

(3) No tea shall be received or accepted for export or shipment from Ceylon by any Customs or other officer unless the export thereof is authorised by a permit issued under this section and there is in respect of such tea a certificate issued by the Commissioner under sub-section (2).

8. (1) No person shall be issued a permit for the export of tea unless the Commissioner is satisfied that—

- (a) such person has been registered as an exporter of tea for the purposes of this Act;
- (b) such tea—
 - (i) has been sold at a Colombo tea auction; or
 - (ii) is tea produced in Ceylon by the English and Scottish Joint Co-operative Wholesale Society Ltd and intended for export from Ceylon by that Society; or
 - (iii) has been produced in an approved estate and—
 - (aa) is of an approved quantity and intended for sale at a London tea auction, or
 - (ab) is of an approved quantity and is tea other than that described in the preceding provisions of this sub-section;
 - (c) such tea is of a quality suitable for export; and
 - (d) such person has not contravened any provision of this Act.

(2) Where any tea is to be exported from Ceylon for sale at a London tea auction, the Commissioner shall state that fact in the permit under this section authorising the export of that tea.

(3) Every application for a permit under this section shall be in the prescribed form.

(4) Where a person to whom a permit is issued under this section contravenes any provision of this Act, the Commissioner may revoke that permit.

(5) The Commissioner shall communicate or cause to be communicated in writing to the person concerned the decision of the Commissioner to refuse the issue of a permit for the export of tea or to revoke such a permit.

Conditions to
be fulfilled
before the
issue of
permits, the
grounds of
revocation of
permits, etc.

(6) No person shall be registered as an exporter of tea by the Commissioner for the purposes of this Act—

(a) unless the Commissioner is satisfied that such person—

(i) has an adequate organisation, sufficient financial resources and suitable premises for engaging in the business of an exporter of tea, and

(ii) has not contravened any provision of this Act; and

(b) except upon an application made in that behalf by such person to the Commissioner in the prescribed form.

(7) The Commissioner may cancel the registration of any person as an exporter of tea if he is satisfied that such person—

(a) has ceased to have an adequate organisation, sufficient financial resources or suitable premises for carrying on the business of an exporter of tea, or

(b) has contravened any provision of this Act.

(8) The Commissioner shall communicate or cause to be communicated in writing to the person concerned the decision of the Commissioner to refuse registration as an exporter of tea or to cancel such registration.

(9) The Commissioner shall, in respect of each approved estate, determine and notify in writing to the owner of that estate the maximum quantity of tea from that estate which may be exported from Ceylon during any period specified by the Commissioner in the notification.

(10) Any quantity of tea which forms part of the maximum quantity of tea determined for any period under sub-section (9) in respect of an approved estate shall, for the purposes of sub-section (1), be an approved quantity of tea in respect of that estate for that period.

**Appeal from
decision,
declaration or
determination
of the
Commissioner.**

9. (1) Any person aggrieved by any decision, declaration or determination of the Commissioner under this Act may, within fourteen days after the communication of such decision or determination to such person or, in the case of a declaration, within fourteen days after the declaration is published in the *Gazette*, appeal in writing from such decision, declaration or determination to the Minister.

(2) The Minister shall, before deciding any appeal made under sub-section (1), give the person making the appeal the opportunity of placing his case before the Minister either in person or by his representative.

(3) The decision of the Minister on any appeal made under this section shall be final and shall not be called in question in any court.

10. Every person to whom a permit is issued under this Act for the export from Ceylon of any tea which is sold on any day at a Colombo tea auction shall export such tea within a period of three months after such day:

Time within
which tea sold
at a Colombo
tea auction
shall be
exported.

Provided that, where the Commissioner is satisfied that such person is unable by reason of circumstances beyond his control to export such tea within such period, the Commissioner shall extend such period, and such person shall export such tea within such extended period.

11. No person to whom a permit is issued under this Act shall export, under the authority of that permit, tea of a quality different from that described in that permit.

Tea different
from that
specified in
a permit not
to be exported.

12. (1) Where any tea is sold at a Colombo tea auction, the person who is the owner of the tea at the time of the sale shall, not later than three working days after the date of the sale, state in writing to the Commissioner the description, quantity, and sale price per pound of such tea, and the name and address of the purchaser.

Information to
be given to the
Commissioner
by owners of
tea sold at a
Colombo tea
auction or a
London tea
auction and by
exporters of
tea.

(2) Where any tea exported from Ceylon for sale at a London tea auction is sold at such an auction, the person who is the owner of the tea at the time of the sale shall, not later than fourteen days after the date of the sale, state in writing to the Commissioner the description, quantity and sale price per pound of such tea, and the name and address of the purchaser.

(3) Every person to whom a permit is issued under this Act shall, not later than ten working days after the date of the export of the tea referred to in the permit, state in writing to the Commissioner the description and quantity of the tea exported by him under the authority of the permit.

Appointment of
Commissioner
and other
officers and
servants.

Power of
Commissioner
and other
officers to
inspect
premises, &c.

13. There may be appointed for the purposes of this Act—

- (a) a person, by name or by office, to be or to act as the Commissioner of Tea Exports; and
- (b) such other officers and servants as may be required for the purpose of carrying out the provisions of this Act.

14. For the purpose of carrying out the provisions of this Act, the Commissioner or any officer authorised in that behalf by the Commissioner in writing may—

- (a) give such directions in writing as he may think fit to any person in respect of the conduct of any Colombo tea auction;
- (b) enter and inspect at all reasonable hours by day or night any premises where he has reasonable cause to believe that any books or records containing any entries relating to sales of tea at a Colombo tea auction are kept, or tea intended for sale or sold at a Colombo tea auction or intended for export is kept;
- (c) take copies of any such entries;
- (d) interrogate any person whom he has reasonable cause to believe is the owner of tea sold at a Colombo tea auction or an exporter of tea or the employee of such owner or exporter;
- (e) interrogate any employee in Ceylon of the English and Scottish Joint Co-operative Wholesale Society Ltd;
- (f) give a direction in writing to any person to furnish before a date specified in the direction such information as he may require;
- (g) give a direction in writing to any person to produce before a date specified in the direction such documentary or other evidence as he may require for the purpose of verifying any information furnished by such person; and
- (h) remove from any premises where tea intended for sale or sold at a Colombo tea auction or intended for export is kept, a sample of tea for the purpose of testing the quality of such tea.

15. (1) The Minister may make regulations in respect of the following matters:—

Regulations.

- (a) all matters which are required by this Act to be prescribed;
- (b) the payment of allowances to persons employed in carrying out the provisions of this Act;
- (c) the procedure to be observed in the hearing of appeals made under section 9; and
- (d) all matters necessary for carrying out the provisions of this Act.

(2) Every regulation made under this section shall be published in the *Gazette* and shall come into operation upon such publication.

(3) Every regulation made under this section shall be brought before the Senate and the House of Representatives, as soon as may be practicable after the publication of the regulation under sub-section (2), by a motion that such regulation shall be approved.

(4) Any regulation made under this section which the Senate or the House of Representatives refuses to approve shall be deemed to be rescinded but without prejudice to the validity of anything previously done thereunder or to the making of any new regulation. The date on which such regulation shall so be deemed to be rescinded shall be the date on which the Senate or the House of Representatives refuses to approve the regulation.

(5) Notification of the date on which any regulation made under this section is deemed under sub-section (4) to be rescinded shall be published in the *Gazette*.

16. (1) Any person who—

Offences.

- (a) contravenes any provision of this Act,
- (b) furnishes, for the purposes of this Act, any information which is, or any document the contents of which are, or any part of the contents of which is, to his knowledge untrue or incorrect, or
- (c) does not comply with any direction given by the Commissioner or any other officer in the exercise of his powers under section 14,

shall be guilty of an offence and shall, on conviction after summary trial before a Magistrate, be liable to a fine not exceeding one thousand rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and such imprisonment.

(2) On conviction of any person for failure to pay any tax under this Act, the Magistrate may, in addition to any other punishment which he may impose, order such person to pay such tax, and such tax may be recovered as though it were a fine imposed by the Magistrate.

Offences by bodies of persons.

17. Where an offence under this Act is committed by a body of persons, then,—

- (a) if that body of persons is a body corporate, every director and officer of that body corporate,
- (b) if that body of persons is a firm, every partner of that firm, and
- (c) if that body of persons is the English and Scottish Joint Co-operative Wholesale Society Ltd, the person for the time being holding the office of Manager in Ceylon of that Society,

shall be guilty of such offence:

Provided that a director or an officer of such body corporate, or a partner of such firm, or the person for the time being holding the office of Manager in Ceylon of that Society shall not be deemed to be guilty of such offence if he proves that such offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

No prosecution without the sanction of the Commissioner.

18. No prosecution for an offence under this Act shall be instituted except by, or with the written sanction of, the Commissioner.

Compounding of offences.

19. The Commissioner may compound any offence under this Act by accepting from the offender such sum as the Commissioner may deem adequate. All sums received by the Commissioner under this section shall be credited to the Consolidated Fund of Ceylon.

Delegation of powers and duties of the Commissioner.

20. The Commissioner may delegate any of his powers and duties under this Act to any officer appointed for the purposes of this Act.

Suspension of certain provisions of the Tea Control Act, No. 51 of 1957.

21. During the operation of this Act, the Tea Control Act, No. 51 of 1957, shall have effect as though—

- (a) sections 25, 26 and 27 of that Act were repealed;

(b) in section 37 of that Act—

- (i) there were omitted from paragraph (a) of sub-section (1) of that section the expression “for a licence under section 26 or” and the expression “a licence issued under section 26 or”; and
- (ii) there were omitted from sub-section (2) of that section the expression “for a licence under section 26 or” and the expression “licence or”.

22. In this Act, unless the context otherwise requires,— Interpretation.

- “approved estate” means an estate the tea produced in which has hitherto been exported from Ceylon;
- “Colombo tea auction” means a tea auction held by the Colombo Tea Traders’ Association;
- “Commissioner” means the person for the time being holding the office of Commissioner of Tea Exports;
- “London tea auction” means a tea auction held by the Tea Brokers Association of London;
- “owner” includes his accredited agent;
- “tea” means tea manufactured from the leaves, leaf buds or immature stalk of the tea plant grown in Ceylon, but does not include refuse tea; and
- “working days” mean days other than Sundays, Bank Holidays or Public Holidays.