



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



**DEFENCE LEVY (AMENDMENT)
ACT, No. 36 OF 1995**

[Certified on 29th December, 1995]

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**Defence Levy (Amendment)
Act, No. 36 of 1995**

[Certified on 29th December, 1995]

L.D.—O. 63/95

AN ACT TO AMEND THE DEFENCE LEVY ACT, NO. 52 OF 1991.

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

1. This Act may be cited as the Defence Levy (Amendment) Act, No. 36 of 1995.

Short title.

2. The long title of the Defence Levy Act, No. 52 of 1991 (hereinafter referred to as "the principal enactment") is hereby amended by the substitution, for the words and figures "IMPOSITION OF A DEFENCE LEVY FOR THE YEARS COMMENCING RESPECTIVELY, ON JANUARY 1, 1992, ON JANUARY 1, 1993, ON JANUARY 1, 1994, AND ON JANUARY 1, 1995", of the words and figures "IMPOSITION OF A NATIONAL SECURITY LEVY FOR THE YEARS COMMENCING RESPECTIVELY, ON JANUARY 1, 1992, ON JANUARY 1, 1993, ON JANUARY 1, 1994, ON JANUARY 1, 1995, AND ON JANUARY 1, 1996".

Amendment
of the
long title
of Act,
No. 52
of 1991.

3. (1) In the principal enactment and in any other written law, there shall be substituted—

(a) for the words "Defence Levy Act", the words "the National Security Levy Act"; and

(b) for the words "Defence Levy", the words "National Security Levy".

(2) Every reference to "the Defence Levy Act" and the "Defence Levy", in any notice, notification, contract, communication or other document shall be read and construed as a reference respectively, to "the National Security Act" and "the National Security Levy".

Defence
Levy
Act" and
"Defence
Levy" to be
known as
"National
Security Levy
Act" and
National
Security
Levy".

4. Section 3 of the principal enactment is hereby amended as follows:—

Amendment
of
section 3
of the
principal
enactment.

(1) in subsection (1) of that section—

(a) by the substitution, for the words and figures "January 1, 1994 and January 1, 1995", of the words and figures "January 1, 1994, January 1, 1995 and January 1, 1996"; and

(b) by the substitution, for the words "on the turnover (within the meaning of section 5 of the Turnover Tax Act), of that person, of the words "on the turnover, (within the meaning of section 5 of the Turnover Tax Act) or part thereof, of that person".

(2) in subsection (2) of that section—

(i) by the substitution, in paragraph (b) of that subsection, for the words "for use in the manufacture by such person of any article for export", of the words "for use in, or for, the manufacture by such person, of any article for export";

(ii) by the substitution, in paragraph (c) of that subsection, for the words "person importing such article; and", of the words "person importing such article;";

(iii) in paragraph (d) of that subsection, by the substitution, for the words "such article has in fact been exported from Sri Lanka.", of the words "such article has in fact been exported from Sri Lanka;";

(iv) by the addition, immediately after paragraph (d) of that subsection, of the following paragraphs:—

"(e) the value of any article which is imported, if proved to the satisfaction of the Commissioner-General of Inland Revenue, that such article is imported to Sri Lanka for—

(i) display at an exhibition;

(ii) the temporary use in Sri Lanka in any project approved by the Minister;

(iii) for the purposes of repairs to that article to be carried out in Sri Lanka; or

(iv) any other similar purpose,

and is to be re-shipped by such person, within a period of one year from the date of importation of such article to Sri Lanka;

(f) the value of any gold imported, with the approval of the Central Bank, by such person for sale in any duty free shop; and

(g) the value of any article imported, if proved to the satisfaction of the Director-General of Customs, that such article was, prior to its importation, taken out of Sri Lanka for repairs."

5. Section 4 of the principal enactment is hereby amended by the repeal of paragraph (e) of that section and the substitution of the following paragraphs therefor:—

Amendment
of
section 4
of the
principal
enactment.

"(e) for every quarter commencing on or after July 1, 1995 but prior to January 1, 1996—

(i) an amount equivalent to four and one-half *per centum* of the turnover of that person for the first month of that quarter, on or before the fifteenth day of the second month of that quarter;

(ii) an amount equivalent to four and one-half *per centum* of the turnover of that person for the second month of that quarter, on or before the fifteenth day of the third month of that quarter; and

(iii) the amount of the levy payable by such person for that quarter reduced by the aggregate of the amounts paid by him in accordance with the provisions of sub-paragraph (i) and of sub-paragraph (ii) of this paragraph, on or before the fifteenth day of the month immediately succeeding the end of that quarter;"

(f) for every, quarter commencing on or after January 1, 1996, but prior to January 1, 1997—

(i) an amount equivalent to—

(A) four and one-half *per centum* of the turnover of that person, not being turnover arising from the import or manufacture of any plant, machinery or equipment; and

(B) two *per centum* of the turnover of that person arising from the import or manufacture of any plant, machinery or equipment,

for the first month of that quarter, on or before the fifteenth day of the second month of that quarter;

(ii) an amount equivalent to—

(A) four and one-half *per centum* of the turnover of that person, not being turnover arising from the import or manufacture of any plant, machinery or equipment; and

(B) two *per centum* of the turnover of that person arising from the import or manufacture of any plant, machinery or equipment,

for the second month of that quarter, on or before the fifteenth day of the third month of that quarter; and

(iii) the amount of the levy payable by such person for that quarter reduced by the aggregate of the amounts paid by him in accordance with the provisions of sub-paragraph (i) and sub-paragraph (ii) of this paragraph, on or before the fifteenth day of the month immediately succeeding the end of that quarter."

Amendment
of
section 5A
of the
principal
enactment.

6. Section 5A of the principal enactment is hereby amended in subsection (1) of that section by the substitution, for the words "an amount equivalent to three and one-half *per centum* of the following", of the words "an amount calculated at the appropriate rates set out in the Schedule to this Act, on the following".

Amendment
of
section 10
of the
principal
enactment.

7. Section 10 of the principal enactment is hereby amended as follows:—

(1) by the insertion, immediately after the definition of "banker", of the following definition:—

"Central Bank" means the Central Bank established by the Monetary Law Act; and

(2) by the insertion immediately after the definition of "manufacturer", of the following definition:—

"plant, machinery or equipment" does not include any motor car, motor coach or lorry as defined in the Motor Traffic Act (Chapter 203).'

8. The Schedule to the principal enactment is hereby repealed and the following Schedule is substituted therefor:—

Replacement
of the
Schedule
to the
principal
enactment.

"SCHEDULE [Sections 3 and 5A]

Rate of Levy applicable in respect of turnover of any person to whom this Act applies.

Quarter	Rate
1. For the quarter commencing on January 1, 1992	.. 1 per centum
2. For the quarter commencing on April 1, 1992	.. 2.3 per centum
3. For any quarter commencing on or after July 1, 1992 but prior to January 1, 1994	.. 3 per centum
4. For any quarter commencing on or after January 1, 1994 but prior to July 1, 1995	.. 3.5 per centum
5. For any quarter commencing on or after July 1, 1995 but prior to January 1, 1997	.. 4.5 per centum
6. For any quarter commencing on or after January 1, 1996 but prior to January 1, 1997—	
(i) on turnover other than turnover arising from the import or manufacture of any plant, machinery or equipment	.. 4.5 per centum
(ii) on turnover arising from the import or manufacture of any plant, machinery or equipment	.. 2 per centum."

9. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala
text to
prevail in
case of
inconsistency.

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