

PARLIAMENT OF CEYLON

2nd Session 1966-67



Tea (Sales Tax) Act, No. 12 of 1967

Date of Assent : June 13, 1967

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AN ACT TO IMPOSE A SALES TAX ON TEA WHICH IS SOLD AT ANY AUTHORIZED CEYLON TEA SALE, OR WHICH, NOT HAVING BEEN SO SOLD, IS INTENDED FOR SALE AT A FOREIGN TEA AUCTION, TO SUSPEND THE LEVY OR RECOVERY OF EXPORT DUTY ON TEA, OTHER THAN TEA OF CERTAIN DESCRIPTIONS, FOR SO LONG AS SUCH SALES TAX IS SO IMPOSED, AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[Date of Assent: June 13, 1967]

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 (Sales Tax) Act, No. 12 of 1967. Short title.

2. The provisions of this Act shall cease to be in force on such date as may be appointed by the Minister of Finance, in consultation with the Minister, by Order published in the *Gazette*. Date on which this Act shall cease to be in force.

3. (1) Where—

(a) any tea is sold at any authorized Ceylon tea sale; or

(b) any tea, not being tea sold at any authorized Ceylon tea sale, is intended for sale at a foreign tea auction,

Sales tax on tea.

there shall be charged, levied and paid in respect of each pound of such tea so sold, or intended for such sale, a tax (in this Act referred to as a "sales tax") calculated at such rate as shall be fixed by the Minister of Finance, in consultation with the Minister, by Order published in the *Gazette*.

(2) The rate of the sales tax in respect of tea fixed under this Act may, from time to time, be altered or varied by the Minister of Finance, in consultation with the Minister, by Order published in the *Gazette*.

No export duty payable in respect of tea, other than tea of certain descriptions.

4. So long as a sales tax is payable in respect of any tea under this Act, no export duty shall be leviable or payable in respect of any tea, other than any tea of any description referred to in paragraph (a) or paragraph (b) of the proviso to section 7 (1) of the principal Act, notwithstanding anything to the contrary in any other written law:

Provided, however, that nothing in the preceding provisions of this section shall be deemed or construed to preclude or affect the payment or recovery of any export duty which became due in respect of any tea prior to the date of the commencement of this Act, and accordingly such duty shall be payable or recoverable on or after that date in the same manner and to the same extent as it would have been payable or recoverable if such provisions had not been in force.

Tea sales tax to be in addition to certain other duties, &c.

5. The sales tax payable in respect of any tea under this Act shall, save as otherwise expressly provided by section 4, be in addition to any other duty, tax or cess payable on that tea under any other written law.

Person liable to pay the sales tax on tea sold at any authorized Ceylon tea sale.

6. Where any tea is sold at any authorized Ceylon tea sale, the person who is the purchaser of such tea at such sale shall pay to the Commissioner, before a permit authorizing the export from Ceylon of such tea is issued by the Commissioner under the principal Act, or not later than ten working days after the date of such sale, whichever is earlier, the sales tax payable in respect of such tea under this Act.

Person liable to pay the sales tax on tea which is not sold at any authorized Ceylon tea sale, and is intended for sale at a foreign tea auction.

7. Where any tea, not being tea sold at any authorized Ceylon tea sale, is intended for sale at a foreign tea auction, then,—

(a) if such tea is not produced in Ceylon by the English and Scottish Joint Co-operative Wholesale Society Ltd., the owner of such tea; or

(b) if such tea is so produced by that Society, the person for the time being holding the office of manager in Ceylon of that Society,

shall, for and on behalf of the prospective purchaser of such tea, make a payment of the sales tax payable in respect of such tea under this Act to the Commissioner before such tea is exported from Ceylon for the purpose of such sale.

8. (1) No permit authorizing the export from Ceylon of any tea liable to the sales tax under this Act shall be issued by the Commissioner under the principal Act until the payment of such sales tax has been made as required by this Act.

No export permit to be issued in respect of tea until the sales tax has been paid.

(2) Where the sales tax due in respect of any tea under this Act has been paid as required by this Act, the Commissioner shall issue a certificate stating that such payment has been so made to the holder of the permit issued by the Commissioner under the principal Act authorizing the export of such tea from Ceylon.

9. (1) Any tea, not being tea sold at any authorized Ceylon tea sale, the exportation of which from Ceylon is prohibited under the principal Act except under the authority of a permit issued by the Commissioner under that Act shall be presumed to be tea intended for sale at a foreign tea auction until the contrary is proved to the satisfaction of the Commissioner.

Presumptions as to tea.

(2) Any tea, not being tea sold at any authorized Ceylon tea sale, which may be exported from Ceylon without the authority of a permit issued by the Commissioner under the principal Act shall be presumed to be tea which is not intended for sale at a foreign tea auction.

(3) Any tea, not being tea sold at any authorized Ceylon tea sale, which is produced in Ceylon by the English and Scottish Joint Co-operative Wholesale Society Ltd., shall be presumed to be tea which is intended for sale at a foreign tea auction until the contrary is proved to the satisfaction of the Commissioner.

10. (1) Any person who contravenes any provision of this Act 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.

Offences.

(2) Upon the conviction of any person for the failure to pay any sales 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 a
body of per-
sons.

11. Where any 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 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 sanc-
tion of the
Commissioner.

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

Compounding
of offences.

13. 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.

14. The Commissioner may delegate any of his powers and duties under this Act, other than the powers and duties conferred on him by sections 12 and 13, to any officer appointed for the purposes of the principal Act.

Interpretation.

15. In this Act, unless the context otherwise requires—

“authorized Ceylon tea sale” means—

- (a) a tea auction held by the Colombo Tea Traders' Association; or
- (b) any other tea sale held or effected in Ceylon with the general or special authority granted in that behalf by the Commissioner;

- “ Commissioner ” means the person for the time being holding the office of Commissioner of Tea Exports;
- “ foreign tea auction ” has the same meaning as in the principal Act;
- “ principal Act ” means the Tea (Tax and Control of Export) Act, No. 16 of 1959, as amended from time to time;
- “ owner ” includes his accredited agent;
- “ purchaser ” includes his accredited agent;
- “ tea ” has the same meaning as in the principal Act; and
- “ working days ” has the same meaning as in the principal Act.