



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

**REGULATION OF ELECTION EXPENDITURE
ACT, No. 3 OF 2023**

[Certified on 24th of January, 2023]

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*Regulation of Election Expenditure
Act, No. 3 of 2023*

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L.D.-O. 30/2018

AN ACT TO REGULATE THE EXPENDITURE INCURRED BY RECOGNIZED POLITICAL PARTIES, INDEPENDENT GROUPS AND CANDIDATES AT EVERY ELECTION CONDUCTED UNDER THE LOCAL AUTHORITIES ELECTIONS ORDINANCE (CHAPTER 262); THE PROVINCIAL COUNCILS ELECTIONS ACT, No. 2 of 1988; THE PARLIAMENTARY ELECTIONS ACT, No. 1 of 1981 AND THE PRESIDENTIAL ELECTIONS ACT, No. 15 of 1981 AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

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

- | | |
|---|------------------------------------|
| <p>1. This Act may be cited as the Regulation of Election Expenditure Act, No. 3 of 2023.</p> | <p>Short title</p> |
| <p>2. The provisions of this Act shall apply to every election conducted under –</p> <p style="margin-left: 40px;">(a) the Local Authorities Elections Ordinance (Chapter 262);</p> <p style="margin-left: 40px;">(b) the Provincial Councils Elections Act, No. 2 of 1988;</p> <p style="margin-left: 40px;">(c) the Parliamentary Elections Act, No. 1 of 1981; and</p> <p style="margin-left: 40px;">(d) the Presidential Elections Act, No. 15 of 1981.</p> | <p>Application of
this Act</p> |
| <p>3. (1) Within a period of five days after the conclusion of the period of nomination specified in the Proclamation or Order requiring the conduct of an election under any law specified in section 2, the Election Commission shall, in consultation with the recognized political parties, and the independent groups contesting such election, fix by Order published in the <i>Gazette</i>, a sum of money in Sri Lankan rupees to be used for the purpose of calculating an authorized amount, in accordance with the provisions of this section, for such election:</p> | <p>Authorized
amount</p> |

Provided however, in the case of a presidential election, every candidate who has not been nominated by a political party shall be consulted.

(2) Such sum of money to be fixed under subsection (1) shall be calculated taking into consideration the prevailing inflation rate and the National Consumer Price Index of Sri Lanka.

(3) The authorized amount in relation to a candidate shall be calculated as follows:-

- (a) in the case of an election conducted under the Local Authorities Elections Ordinance (Chapter 262), the amount in Sri Lankan rupees resulting from the multiplication of the total number of registered voters in the ward of the local authority contested by the candidate, by such amount of Sri Lankan rupees as may be fixed for that election by the Election Commission under subsection (1);
- (b) in the case of an election conducted under the Provincial Councils Elections Act, No. 2 of 1988, the amount in Sri Lankan rupees resulting from the multiplication of the total number of registered voters in the administrative district contested by the candidate, by such amount of Sri Lankan rupees as may be fixed for that election by the Election Commission under subsection (1);
- (c) in the case of an election conducted under the Parliamentary Elections Act, No. 1 of 1981, the amount in Sri Lankan rupees resulting from the multiplication of the total number of registered voters in the electoral district contested by the candidate, by such amount of Sri Lankan rupees as may be fixed for that election by the Election Commission under subsection (1);

- (d) in the case of an election conducted under the Presidential Elections Act, No. 15 of 1981, the amount in Sri Lankan rupees resulting from the multiplication of the total number of registered voters in the electoral districts in the Island, by such amount of Sri Lankan rupees as may be fixed for that election by the Election Commission under subsection (1).

(4) The authorized amount in relation to recognized political parties and independent groups shall be calculated by taking into consideration the sum of money referred to in subsection (1), the total number of registered voters in the local authority area or the administrative district or the electoral district or the electoral districts in the Island as the case may be, contested by each recognized political party or independent group at an election conducted under any law specified in section 2 and the number of candidates nominated by such recognized political party or independent group to contest such election.

(5) The authorized amount calculated in accordance with the provisions of subsections (3) and (4), shall be published in the *Gazette* on the same day, on which the Order under subsection (1) is published in the *Gazette*.

(6) The consultation process referred to in subsection (1) may be conducted by the Election Commission through the relevant returning officers.

4. (1) A recognized political party, an independent group and a candidate at an election conducted under any law specified in section 2, shall not incur expenditure in excess of the authorized amounts referred to in subsections (3) and (4) of section 3 as the case may be, in respect of such election.

Restriction on election expenditure by a recognized political party, an independent group and a candidate

(2) Where a candidate incurs expenditure in excess of the authorized amount referred to in subsection (3) of section 3 in respect of such election, such candidate commits an offence of an illegal practice within the meaning of the law specified in section 2 under which such election was conducted and, shall be liable to the penalties imposed under such law in respect of the offence of an illegal practice, unless such candidate proves that such expenditure was incurred without any sanction or connivance of such candidate.

Prohibition on
the acceptance
of certain
donations

5. (1) A recognized political party, an independent group and a candidate at an election conducted under any law specified in section 2, shall not, directly or indirectly accept or receive a donation or contribution whether such donation or contribution is in cash or kind from-

- (a) a government department, a public corporation or a company incorporated under the Companies Act, No.7 of 2007 or under any former written law relating to companies in which the government or a public corporation owns any shares;
- (b) a foreign government, an international organization or a body corporate incorporated or registered outside Sri Lanka;
- (c) a company incorporated in Sri Lanka under the Companies Act, No. 7 of 2007 or under any former written law relating to companies where the foreign shareholding in such company, either direct or indirect, is fifty percent or above; or
- (d) any person whose identity is not disclosed,

for the purpose of promoting or procuring the election of such recognized political party, independent group or candidate at such election.

(2) A candidate who contravenes the provisions of subsection (1) commits an offence of an illegal practice within the meaning of the law specified in section 2 under which such election was conducted and shall be liable to the penalties imposed under such laws in respect of the offence of an illegal practice.

6. (1) Every recognized political party, independent group and candidate at an election conducted under any law specified in section 2 shall within twenty-one days of the date of publication of the result of such election, submit to the respective authority specified in subsection (3) -

Submission of
return of
donations or
contributions
received and
expenditure
incurred

- (a) a return of all donations or contributions accepted or received by such recognized political party, an independent group or candidate on behalf of such recognized political party, independent group or candidate; and
- (b) a return of all expenses incurred by such recognized political party, independent group or candidate on behalf of such recognized political party, independent group or candidate,

for promoting or procuring the election of such recognized political party, independent group or candidate.

(2) For the purposes of this section “date of publication of the results of such election” means, the date of publication of results –

- (a) under section 66 of the Local Authorities Elections Ordinance (Chapter 262) in the case of an election conducted under that Ordinance;
- (b) under section 60 of the Provincial Councils Elections Act, No. 2 of 1988 in the case of an election conducted under that Act;

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- (c) under section 62 of the Parliamentary Elections Act, No. 1 of 1981 in the case of an election conducted under that Act; and
- (d) under section 64(2) of the Presidential Elections Act, No. 15 of 1981 in the case of an election conducted under that Act.

(3) The returns referred to in subsection (1) shall be submitted by the recognized political party, independent group and candidate –

- (a) to the returning officer of the respective local authority area with a copy to the Election Commission, in the case of an election conducted under the provisions of the Local Authorities Elections Ordinance (Chapter 262);
- (b) to the returning officer of the respective administrative district with a copy to the Election Commission, in the case of an election conducted under the Provincial Councils Elections Act, No. 2 of 1988;
- (c) to the returning officer of the respective electoral district with a copy to the Election Commission, in the case of an election conducted under the Parliamentary Elections Act, No. 1 of 1981; or
- (d) to the Election Commission, in the case of an election conducted under the Presidential Elections Act, No. 15 of 1981.

(4) The return referred to in paragraph (a) of subsection (1) shall state -

- (a) the amount of every donation or contribution accepted or received by or on behalf of such recognized political party, independent group or candidate, and if the donation or contribution is in kind, the estimated value of the donation or contribution;

- (b) whether such donation or contribution was by way of gift, loan, advance or deposit; and
- (c) the name, address and National Identity Card number or registration number as the case may be, of the individual or body of persons incorporated or unincorporated making such donation or contribution.

(5) The return referred to in paragraph (b) of subsection (1) shall include expenditure incurred by or on behalf the recognized political party, independent group or candidate, whether paid or unpaid for –

- (a) the printing, publication, pasting, exhibition or display of, advertisements, handbills, flags, drawings, photographs, placards or posters relating to such election;
- (b) the production and broadcast, on radio or television of advertisements relating to such election;
- (c) the production and publication in newspapers, journals, social media, digital hoardings or any other digital media, or other publications of advertisements relating to such election;
- (d) the hiring or use of any premises or equipment for the holding of meetings relating to such election;
- (e) the hiring of vehicles for activities relating to such election other than expenditure for the hiring of vehicles for the transport of the candidate; and
- (f) the provision of fuel for the running of those vehicles,

together with bills and receipts confirming the same, and if the above services were obtained without payment, the names and the addresses of the persons from whom such services were obtained shall be included:

Provided however, the expenditure incurred by or on behalf of the recognized political party, independent group or candidate for –

- (a) the transport of the candidate within the area for which the election is being held; and
- (b) the stationery, telephone or other means of communication,

shall not be included in the return referred to in paragraph (b) of subsection (1).

(6) The returns referred to in subsection (1) shall be signed by the secretary to the recognized political party, group leader of the independent group or the candidate as the case may be and accompanied by a declaration signed by such secretary, group leader or candidate and attested by a Justice of the Peace, to the effect that the information in such returns is to the best of the knowledge of such secretary, group leader or candidate, true and correct.

Publication of
notice relating to
receipt of
returns and
declarations

7. (1) On receipt of the returns and declarations submitted under section 6 –

- (a) the respective returning officer, in the case of an election conducted under the Local Authorities Elections Ordinance (Chapter 262), the Provincial Councils Elections Act, No. 2 of 1988 or the Parliamentary Elections Act, No. 1 of 1981; and
- (b) the Election Commission, in the case of an election conducted under the Presidential Elections Act, No. 15 of 1981,

shall cause a notice to be published in at least one national newspaper in the Sinhala, Tamil and English languages stating that the returning officer or the Election Commission, as the case may be, has received the returns and declarations submitted by the recognized political party, independent group or candidate named in the notice and indicating the place and time at which such returns and declarations may be inspected by any person.

(2) The notice referred to in subsection (1), shall be published within ten days after the expiry of the time period specified in subsection (1) of section 6.

(3) The returning officer and the Election Commission shall permit a person to inspect the returns and declaration made by a recognized political party, an independent group or a candidate at the place and time mentioned in the notice published under subsection (1) and shall allow such person to take copies of such returns or declaration on payment of a fee of such amount as may be determined by the Election Commission.

8. Every candidate, at an election conducted under any law specified in section 2, who – Offence of an illegal practice

- (a) fails, without reasonable cause, to comply with the provisions of subsection (1) of section 6; or
- (b) makes any statement in any such return submitted under subsection (1) of section 6 or in a declaration made under subsection (6) of section 6, being a statement which such person knows, or ought reasonably to have known, to be false,

commits an offence of an illegal practice within the meaning the law specified in section 2 under which such election was conducted, and shall be liable to penalties specified by such law for the commission of an illegal practice.

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Interpretation

9. In this Act, unless the context otherwise requires -

“administrative district” means, the administrative district established under the Administrative Districts Act (Chapter 392);

“donation or contribution accepted or received on behalf of a recognized political party, an independent group or a candidate” means, such donation or contribution which is accepted or received directly or indirectly with the express or implied consent of the recognized political party, the independent group or candidate;

“election” means, an election conducted under –

(a) the Local Authorities Elections Ordinance (Chapter 262);

(b) the Provincial Councils Elections Act, No. 2 of 1988;

(c) the Parliamentary Elections Act, No. 1 of 1981;

(d) the Presidential Elections Act, No. 15 of 1981;

“electoral district” means, an electoral district specified in a Proclamation under Article 97 of the Constitution and for the time being in force; and

“local authority” means, a Municipal Council, Urban Council or Pradeshiya Sabha.

Sinhala text to prevail in case of inconsistency

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

