



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

**TELECOMMUNICATION LEVY
ACT, No. 21 OF 2011**

[Certified on 31st March, 2011]

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*Telecommunication Levy
Act, No. 21 of 2011*

[Certified on 31st March 2011]

L. D.—O. 8/2011.

AN ACT TO IMPOSE THE TELECOMMUNICATION LEVY FROM PERSONS RECEIVING ANY TELECOMMUNICATION SERVICE COMMENCING FROM JANUARY 1, 2011 ; TO AMEND PART II OF THE FINANCE ACT, NO. 11 OF 2004 ; 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:—

1. This Act may be cited as the Telecommunication Levy Act, No. 21 of 2011 and shall be deemed for all purposes to have come into operation with effect from January 1, 2011.

Short title and date of operation.

PART I

TELECOMMUNICATION LEVY

2. There shall be charged and levied from every person receiving any telecommunication service (hereinafter referred to as “the recipient”) for the period commencing on or after January 1, 2011, a levy called Telecommunication Levy at the rate of 20 *per centum* on the value of the supply of telecommunication services provided by the operator, on the receipt of such telecommunication service in respect of each month :

Imposition of Telecommunication Levy.

Provided however, that no organization or individual to whom the provisions of the Diplomatic Privileges Act, No. 9 of 1996 applies, shall be required to pay the levy referred to above.

3. The levy payable under section 2 shall be collected by the operators licensed under section 17 of the Sri Lanka Telecommunication Act, No. 25 of 1991 and paid to the Telecommunications Regulatory Commission of Sri Lanka (hereinafter referred to as “the Commission”) established

Mode of collection of levy.

under the aforesaid Act, within fifteen days from the end of each month commencing on or after January 1, 2011 along with such details as may be specified by the Commission.

Commission to collect levy on behalf of the Government.

4. The levy, collected by the Commission on behalf of the Government in respect of each month in terms of section 3 shall be credited within seven days from the receipt of the levy to the Consolidated Fund.

Secretary to the Treasury to issue guidelines.

5. The Secretary to the Treasury may, from time to time, issue guidelines in relation to the collection and remittance of the levy on behalf of the Government.

Action in cases of failure to pay levy.

6. (1) Any operator who fails to pay the total amount of the levy that is due on the value of supply of services provided by such operator, as provided for in section 3, shall be deemed to be a defaulter and where such defaulter is a body corporate, the Chairman of the Board of Directors, any director or principal officer of such body corporate shall be deemed to be a defaulter for the purposes of this Part of this Act, and such levy as is not paid on or before the due date shall be deemed to be a levy in default.

(2) The defaulter shall be liable to pay to the Commission, in addition to the levy in default, a surcharge calculated,—

- (a) at the rate of ten *per centum* of the amount of such levy as is in default for the subsequent period of one month or part thereof, from the due date for the payment of the levy under section 3 ; and
- (b) at the rate of two *per centum* of the amount of such levy as is in default for each subsequent period of one month or part thereof, from the due date for the payment specified in paragraph (a)

which surcharge shall be collected by the commission.

(3) The Commission shall take action to recover any levy which is in default for a period of more than three months, along with amount of the surcharge accrued thereon, in the manner as is specified hereafter.

(4) The Commission shall cause to be issued on the defaulter, three weeks prior to the taking of any steps for the recovery of the levy in default along with amount of the surcharge accrued thereon, a Notice, informing the defaulter of the intention of the Commission to institute proceedings for the recovery of the amount of the levy in default and the surcharge accrued thereon in terms of the provisions of this section.

(5) Where the Commission issues Notice on the defaulter in terms of subsection (4) but the amount of the levy in default along with the surcharge thereon remains unpaid even though the period of three weeks specified in such Notice has elapsed, the Commission shall under the hand of the Chairman, issue to the Magistrate having jurisdiction over the division in which the defaulter resides or is carrying on business, a Certificate containing the name and address of the defaulter and the total sum in default along with a statement to the effect that the person so named has defaulted in making the payment as required by this section. Where the defaulter is a body corporate, the Certificate shall contain the names of the Chairman, the Board of Directors and of every Director of such body corporate.

(6) The Magistrate shall on receipt of the Certificate issued under subsection (5), issue summons on the defaulter requiring him to appear before him on a date to be specified and show cause as to why proceedings should not be instituted against him for the recovery of the amount of the levy in default along with the surcharge accrued thereon. Where the cause shown appears to the Magistrate to be insufficient so as to explain the reason for the non-payment, the Magistrate shall after recording the same, make order for the recovery of the amount of the levy in default along with the surcharge accrued thereon, from the defaulter as if it were a fine imposed by the Magistrate. The money so recovered shall be remitted to the Commission, which shall credit the same to the Consolidated Fund.

PART II

AMENDMENT OF PART II OF THE FINANCE ACT, NO. 11 OF 2004

Amendment of
Part II of the
Finance Act, No.
11 of 2004.

7. Part II of the Finance Act, No.11 of 2004 is hereby amended as in subsection (2) of section 14 thereof, by the substitution for the words “for the period ending on February 29, 2008” of the words “for the period commencing on February 29, 2008 and ending on December 31, 2010.”.

Part II of the
Finance Act, No.
11 of 2004 not
to apply.

8. It is hereby declared for the avoidance of doubts that the provisions of Part II of the Finance Act No.11 of 2004 shall not apply to any person to whom the provisions of that Part applied prior to January 1, 2011.

PART III

GENERAL

Regulations.

9. (1) The Minister may make regulations in respect of all matters in respect of which regulations are required or authorized to be made or in respect of matters which are required to be prescribed by this Act.

(2) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

(3) Every regulation made by the Minister, shall, as soon as convenient after its publication in the *Gazette*, be brought before Parliament for approval. Any regulation which is not so approved shall deemed to be rescinded as from the date of disapproval but without prejudice to anything previously done there under.

(4) Notification of the date on which any regulation is deemed under subsection (3) to be rescinded shall be published in the *Gazette*.

- 10.** The amount of the levy charged and collected by any operator from any recipient, during the period commencing from January 1, 2011 and ending on the date of the coming into operation of this Act, shall be deemed to have been validly charged and levied and such operator is hereby indemnified from any action civil or criminal, in respect of the collection of such levy. Indemnity.
- 11.** 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.
- 12.** For the purposes of Part I of this Act- Interpretation.
- “value of supply” means the gross value of service after deducting the levy chargeable under the provisions of this Act ;
- “telecommunication service” means the services provided to end subscribers by telecommunication and other operators licensed under section 17 of the Sri Lanka Telecommunication Act, No. 25 of 1991 but shall not include interconnection services and access services provided between local operators, international settlements between local operators and overseas telecommunication settlements between local operators and overseas telecommunication service providers and international telecommunication services covered under subsection (1) of section 21 of Part III of the Finance Act, No.11 of 2004;
- “interconnection service” means interconnection services set out in Interconnection Rules 2003 made under section 68 of the Sri Lanka Telecommunication Act, No. 25 of 1991;
- “access services” include domestic or international leased line services, backhaul services and passive infrastructure services;
- “operator” means an operator licensed under section 17 of the Sri Lanka Telecommunication Act, No. 25 of 1991.

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