

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

Part II of January 07, 2022

SUPPLEMENT

(Issued on 07.01.2022)



SPECIAL GOODS AND SERVICES TAX

A

BILL

to provide for the imposition of a special goods and services tax, in lieu of the sums chargeable on such specified goods and services by way of tax, duty, levy, cess or any other charge imposed by law; to promote self-compliance in the payment of taxes in order to ensure greater efficiency in relation to the collection and administration on such taxes by avoiding the complexities associated with the application and administration of a multiple tax regime on specified goods and services; and to provide for matters connected therewith or incidental thereto

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Special Goods and Services Tax

L.D.—O. 20/2021

AN ACT TO PROVIDE FOR THE IMPOSITION OF A SPECIAL GOODS AND SERVICES TAX, IN LIEU OF THE SUMS CHARGEABLE ON SUCH SPECIFIED GOODS AND SERVICES BY WAY OF TAX, DUTY, LEVY, CESS OR ANY OTHER CHARGE IMPOSED BY LAW; TO PROMOTE SELF-COMPLIANCE IN THE PAYMENT OF TAXES IN ORDER TO ENSURE GREATER EFFICIENCY IN RELATION TO THE COLLECTION AND ADMINISTRATION OF SUCH TAXES BY AVOIDING THE COMPLEXITIES ASSOCIATED WITH THE APPLICATION AND ADMINISTRATION OF A MULTIPLE TAX REGIME ON SPECIFIED GOODS AND SERVICES; 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 Special Goods and Services Tax Act, No. of 2022. Short title

5 2. (1) There shall be imposed a levy to be called as the “Special Goods and Services Tax” which shall be a composite tax payable on the following specified goods and services:- Imposition of
a Special
Goods and
Services Tax

10 (a) liquor, cigarettes and vehicles (inclusive of parts for assembling of vehicles) being specified goods;
 and

 (b) telecommunications, and betting and gaming,
 being specified services,

15 that are subjected to the tax, duty, levy, cess or any other charge imposed, in terms of any enactment specified in the Schedule hereto.

(2) The Special Goods and Services Tax shall be limited to specified goods or services dealt with subsection (1).

(3) The Minister shall from time to time, specify by Order published in the *Gazette*—

- 5 (a) the rate of tax applicable, either *ad valorem* or specific, to the respective specified goods or services to which such Order relates; or
- (b) the basis of calculation of the Special Goods and Services Tax in relation to the respective specified
- 10 goods or services to which the Order relates.

(4) Every Order made under subsection (3) shall continue to be in force until such time it is revoked by the Minister, or a subsequent Order is made by the Minister under subsection (3).

- 15 (5) Every such Order made by the Minister under subsection (3), shall be in operation immediately upon the Minister affixing his signature thereto.

(6) Every such Order shall be published in the *Gazette*.

- (7) Every Order shall be brought before Parliament within
- 20 a period of three months from the date of its publication in the *Gazette*, for the approval of Parliament. Where no meeting of Parliament is held within such period, such Order shall be brought before Parliament for the approval, at the first meeting of Parliament held after the expiry of such period,
- 25 by a motion.

(8) Any such Order which is refused to be approved by Parliament shall be deemed to be revoked with effect from the date of such resolution, but without prejudice to anything previously done thereunder.

3. (1) (a) Notwithstanding the provisions of section 2, the Minister may, from time to time by Order published in the *Gazette* exempt from the payment of the Special Goods and Services Tax payable under this Act, on any such goods
5 or services or any such class, grade, category or description of such goods or services specified in such Order subject to such conditions as may be specified in such Order.
- (b) For the avoidance of doubt, the provisions of the enactments set out in the Schedule hereto shall not apply in
15 respect of such goods and services specified in the Order made under paragraph (a).
- (2) Where a manufacturer or an importer sells or disposes of any goods, contrary to the conditions specified in the Order made under subsection (1), such manufacture or
15 importer shall be liable to the same Special Goods and Services Tax as was payable under this Act on such goods like which are subject to the Special Goods and Services Tax.
- (3) Every Order made under subsection (1) shall continue
20 to be in force until such time it is revoked by the Minister.
- (4) Every such Order made by the Minister under subsection (1), shall be in operation immediately upon the Minister affixing his signature thereto.
- (5) Every such Order shall be published in the *Gazette*.
- 25 (6) Every Order shall be brought before Parliament within a period of three months from the date of its publication in the *Gazette*, for the approval of Parliament. Where no meeting of Parliament is held within such period, such Order shall be brought before Parliament for the approval, at the first
30 meeting of Parliament held after the expiry of such period, by a motion.

Exemption
of certain
goods or
services

(7) Any such Order which is refused to be approved by Parliament shall be deemed to be revoked with effect from the date of such resolution, but without prejudice to anything previously done thereunder.

- 5 **4.** Where an Order made under subsection (3) of section 2 is in operation, any tax, duty, levy, cess or any other charge imposed, in terms of any enactment set out in the Schedule hereto shall not, from and after the date of coming into operation of such Order, be applicable in respect of any
10 specified goods or services referred to in subsection (1) of section 2 of this Act:

After Order imposing the Special Goods and Services Tax is made, no tax levied under the enactments set out in the Schedule hereto to be applicable

- Provided however, the provisions of the enactments set out in the Schedule hereto may, where necessary, apply for the purpose of the enforcement, prevention and
15 punishment of the contravention of the provisions of this Act and any regulations made thereunder.

5. (1) (a) The Secretary to the Treasury shall set up a unit under the purview of a Deputy Secretary to the Treasury (hereinafter referred to as the “Designated Officer”).

Deputy Secretary to the Treasury to be charged with the administration and collection of the Special Goods and Services Tax

- 20 (b) The Designated Officer shall be charged with the responsibility of the administration, collection and accountability of the Special Goods and Services Tax imposed in terms of this Act and paid as provided for in section 9.

- 25 (2) The Secretary to the Treasury shall assign to such unit, such number of officers attached to the Ministry of Finance or any Department coming within the purview of the Ministry of Finance as may be deemed necessary.

- 30 (3) The Designated Officer may delegate any power, duty or function conferred or imposed on, or assigned to him under this Act to any officer assigned in terms of subsection (2).

(4) The officer to whom such power, duty or function is delegated shall, subject to the general and special direction issued, from time to time, by the Designated Officer, exercise, perform or discharge such power, duty or function.

5 6. The Special Goods and Services Tax shall be payable by every manufacturer, importer or service provider (hereinafter referred to as the “taxable person”), of any specified goods or service set out in subsection (1) of section 2. Liability to pay the Special Goods and Services Tax

10 7. (1) (a) Any taxable person who is engaged in manufacturing or importation of any specified goods or provision of any specified services on the date of the coming in to operation of the Order made under subsection (3) of section 2 shall, not later than fourteen days from the date of operation of such Order, forward an application for the registration as a taxable person to the Designated Officer. Registration of a taxable person and cancellation of registration

(b) A person who intends to manufacture or import any specified goods or provide any specified services after the date of the coming into operation of an Order made in terms of subsection (3) of section 2 of this Act shall, prior to the manufacture or import of any specified goods or the provision of any specified services, forward an application to the Designated Officer in the prescribed Form accompanied by the prescribed fee and documents.

25 (c) The procedure to be followed for registration shall be as prescribed by regulations.

(d) Upon receipt of such application for registration, the Designated Officer shall forthwith proceed to register the person as a taxable person subject to the provisions of subsections (2) and (3).

(2) The Designated Officer may, prior to registering a person as a taxable person where necessary call for further information or documents to support the documents already submitted by such taxable person who shall provide such
5 information and documents within the period specified by the Designated Officer.

(3) The Designated Officer may, if there exists a reasonable doubt on the genuineness of the information or documents submitted, refuse to register the person as a taxable person
10 and within fourteen days of making such decision serve such person with a written notice of such refusal stating the reasons therefor.

(4) On receipt of notice of refusal under subsection (3), such person may forward a request to the Secretary to the
15 Treasury setting out further reasons and documents in support of his application within fourteen days of the receipt by such person of the notice of refusal.

(5) The Secretary to the Treasury may, upon consideration of the reasons set out in such request and documents
20 submitted under subsection (4), determine whether the taxable person is eligible for registration, and proceed to register the person as a taxable person for the purposes of this Act. The Secretary to the Treasury shall at the earliest convenience inform the taxable person of his decision.

(6) Upon such registration, the Designated Officer shall issue to such taxable person a Certificate of Registration in the Form as may be prescribed by regulations. The Certificate of Registration shall contain information on specified goods or services covered by such registration, and the period of
25
30 validity of such registration.

(7) The Designated Officer shall also cause to be maintained a register of taxable persons so registered, in such form as may be prescribed by regulations.

(8) (a) Where-

- 5 (i) the taxable person has ceased to import or manufacture any specified goods or provide any specified services referred to in subsection (1) of section 2;
- (ii) the Minister revokes any Order made under subsection (3) of section 2; or
- 10 (iii) any Order made under subsection (3) of section 2 is deemed to be revoked under subsection (8) of section 2,

the Designated Officer may after giving an opportunity to make representation, cancel such Certificate of Registration issued to the taxable person under subsection (6), having informed through a written communication signed by him
15 giving reasons for such cancellation.

(b) Where a taxable person has ceased to import or manufacture any specified goods or provide any specified service referred to in subsection (1) of section 2 for which the registration was made, such taxable person to whom a
20 Certificate of Registration has been issued under subsection (6), may apply to the Designated Officer requesting for a cancellation of such Certificate of Registration.

(9) From and after the date of the coming into operation of an Order made under subsection (3) of section 2, any
25 taxable person who-

- (a) imports or manufactures any specified goods or provides any specified service to which this Act applies without obtaining a Certificate of Registration;
- 30 (b) makes a statement or a communication under this Act which is false or misleading in a material particular relating to any specified goods or services; or

- (c) willfully evades or attempts to evade payment of the Special Goods and Services Tax,

commits an offence and shall upon conviction after summary trial be liable to a fine not exceeding rupees three million or to imprisonment of either description for a term not less than one year or to both such imprisonment and fine.

(10) For the avoidance of doubt, a taxable person may import or manufacture any goods or provide any service to which this Act does not apply, in which event a tax, duty, levy, cess or any other charge imposed and applicable in terms of relevant applicable laws shall apply in respect of such other goods and services not covered under this Act.

8. (1) Every taxable person who is registered under this Act shall on or before the twentieth day of the month after the end of each quarter, furnish a return in the prescribed Form, to the Designated Officer along with-

Furnishing of returns by a taxable person

(a) a certificate in the prescribed Form issued by a qualified auditor confirming physical verification of the related inventory pertaining to the related period; and

(b) documents containing such particulars as may be prescribed by regulations relating to the specified goods imported or manufactured or the specified services provided or raw materials purchased.

(2) (a) A returns shall not be required under subsection (1) from a taxable person who has imported any specified goods for the purpose of personal use by such person.

(b) For the purpose of this subsection “personal use” shall mean, a quantity not to be used for profit or commercial gain under any enactment set out in the Schedule hereto.

(3) A taxable person who fails to file a return under subsection (1) commits an offence and shall be liable on conviction to a fine not exceeding one million rupees or to imprisonment for a term not exceeding three months or to both such fine and imprisonment.

9. (1) The Special Goods and Services Tax, imposed under section 2, and payable by a taxable person shall be paid directly by the respective taxable person, by way of an electronic fund transfer to an account opened and maintained in the name of the Designated Officer for the purposes of this Act, and such payment shall be deemed to be a credit to the Consolidated Fund.

Manner of
payment of
Special
Goods and
Services Tax

(2) Every taxable person who is liable to pay the Special Goods and Services Tax, shall make such payment at the times and in the manner set out below—

(a) a taxable person who imports any specified goods shall pay the Special Goods and Services Tax prior to the removal of such specified goods from the Customs warehouse or such other place where such goods were stored immediately upon its importation into Sri Lanka:

Provided that, for the purpose of computing the Special Goods and Services Tax the date of importation shall be deemed to be the date of submission of the Bill of Entry relating to such goods on which such Tax is payable, to the Sri Lanka Customs;

(b) a taxable person who manufactures any specified goods shall pay the Special Goods and Services Tax one day prior to the day such manufactured goods leave the manufacturing facility of such manufacturer; or

(c) a taxable person who provides any specified service shall pay the Special Goods and Services Tax, before the tenth day of every month in relation to such service provided during the previous month.

(3) Any special Goods and Services Tax not paid as set out above shall be deemed to be in default.

5 **10.** (1) Upon payment of the Special Goods and Services Tax in the manner specified in section 9, the taxable person shall electronically submit to an email address of the Designated Officer as may be prescribed by regulations, the details of every payment so made, in such Form as may be specified by the Designated Officer, along with scanned copies of relevant documents on the importation or
10 manufacture of specified goods, or the provision of specified services, that would facilitate verification of the accuracy of the contents in such Form. The Designated Officer shall acknowledge every such payment and receipt of relevant documents within a reasonable time.

15 (2) (a) The Designated Officer shall, after verification of information provided in terms of subsection (1) and in the returns and accompanied documents in terms of section 8, determine and confirm that the Special Goods and Services Tax payable by such taxable person in terms of this Act, has
20 been duly paid.

 (b) If, upon the completion of such verification process, the Designated Officer has reason to doubt the accuracy of the particulars included in such Form submitted in terms of subsection (1) or the accompanying documents supporting
25 the information set out in such Form, the Designated Officer may require the taxable person or the authorised agent of such person to furnish such other information, including documentary or other evidence as proof that the correct amount payable as the Special Goods and Services Tax has
30 been paid.

(3) In the process of such verification, the Designated Officer may call for further information, documents or assistance from the Director-General of Customs, the

Commissioner-General of Inland Revenue, the Director-General of Telecommunications, the Commissioner-General of Excise or such other relevant authority, as the case may be, who shall extend such assistance as required by the

5 Designated Officer notwithstanding anything to the contrary in any other written laws, as a matter of priority, in the interest of the national economy.

(4) Upon receipt of further information or in the absence of any response, if the Designated Officer still has reasonable

10 doubt as to the correctness or accuracy of the particulars furnished the taxable person shall be informed in writing by the Designated Officer of the grounds for such doubt and shall be afforded an opportunity of submitting a written statement in support of the position of the taxable person.

15 (5) The Designated Officer shall after considering the representations, if any, made by such taxable person, determine the amount of Special Goods and Services Tax payable, on the relevant specified goods or services, and shall communicate his determination to the relevant taxable

20 person. Such taxable person shall pay in full any balance amount due as the Special Goods and Services Tax, being the difference between the amount already paid by such taxable person as the Special Goods and Service Tax and the amount as determined by the Designated Officer as the

25 Special Goods and Services Tax as being payable after verification. The notice containing the determination of the Designated Officer shall be in writing, and shall include the basis of the determination.

(6) Where the amount paid by a taxable person as the

30 Special Goods and Service Tax is found to be in excess of the amount payable by the taxable person as determined by the Designated Officer, the Designated Officer shall notify the taxable person of the same and take steps to refund the

amount paid in excess to the taxable person. The procedure and the manner to be followed in making refunds shall be as prescribed by regulations.

- 5 (7) Any taxable person who is aggrieved by the determination of the Designated Officer made in terms of this section, may appeal against such decision to the Court of Appeal within fourteen days from the date of service of such determination to such taxable person.

- 10 **11.** (1) Where an appeal is preferred to the Court of Appeal, the appellant shall pay the total amount payable as the Special Goods and Services Tax as determined by the Designated Officer, in terms of section 10, on the same day, in the following manner:-

Appeals from
determination
of the
Designated
Officer

- 15 (a) fifty *per centum* of the total amount payable, to be paid into the account referred to in section 9; and
- (b) fifty *per centum* of the total amount payable, to be paid by way of a bank guarantee issued by any licenced commercial bank payable on demand issued in favour of the Designated Officer.

- 20 (2) Such Bank Guarantee shall be valid or be validated by the appellant as may be necessary, until the appeal is determined by the Court of Appeal.

- 25 (3) In the event the Court of Appeal determines the appeal in favour of the Designated Officer, he shall upon such determination, make a claim on the bank guarantee to recover the sum together with legal interest covering the entire period during which the appeal was pending in the Court of Appeal.

- 30 (4) Where the Court of Appeal determines the Appeal in favour of the appellant, the Designated Officer shall as soon as convenient, refund the sum paid in terms of paragraph (a) of subsection (1), together with legal interest covering the

entire period during which the appeal was pending in the Court of Appeal and shall at the earliest possible period of time, return the bank guarantee, given in terms of paragraph (b) of subsection (1).

- 5 (5) When no valid appeal has been lodged within the time specified in subsection (7) of section 10 against a determination of the Designated Officer, the balance amount due as the Special Goods and Services Tax, and the relevant penalty imposed on such Tax in terms of section 14 shall be
10 the Special Goods and Services Tax in default.

12. (1) Where any Special Goods and Services Tax is in default, the Designated Officer shall require the Commissioner-General of Inland Revenue to take suitable and expeditious recovery action, and the Commissioner-
15 General of Inland Revenue shall issue a Certificate to a District Secretary, containing particulars of the Special Goods and Services Tax in default and the name and address of the defaulter and the District Secretary to whom such Certificate is issued is hereby required, to cause the Special Goods and
20 Services Tax in default to be recovered from the defaulter named in the Certificate, by seizure and sale of movable property.

Procedure to be followed where the Special Goods and Services tax is in default

- (2) The seizure of movable property for the purposes of this section shall be effected under the Civil Procedure Code
25 (Chapter 101) in such manner as such District Secretary shall deem most expedient in that behalf, and as soon as any movable property is so seized by such District Secretary, a list of such property shall forthwith be made and signed by him and shall be given to the defaulter and a copy thereof be
30 furnished to the Commissioner-General of Inland Revenue.

(3) Where the property so seized is-

- (a) cash in Sri Lanka Rupees, such cash shall be first applied in the payment of the costs and charges of seizing and any balance shall be applied in
35 satisfaction of the Special Goods and Services Tax in default;

14 *Special Goods and Services Tax*

5 (b) cash in a designated foreign currency, such cash shall be deposited in any licensed commercial bank and the proceeds there from applied in the payment of the costs and charges of seizing and any balance shall be applied in satisfaction of the Special Goods and Services Tax in default; and

10 (c) movable property other than cash, such property shall be kept for seven days as costs and charges of the defaulter. If the defaulter does not pay the Special Goods and Services Tax in default together with the associated costs and charges within the said seven days, the District Secretary shall cause such property to be sold by public auction, or where such property is a negotiable instrument or a share
15 in any corporation or public company, to be sold through a broker at the market rate of the day.

(4) The sum realized by a sale referred to in paragraph (c) of subsection (3), shall be applied—

20 (a) firstly, in payment of the costs and charges of seizing, keeping and selling the property; and

(b) secondly, in satisfaction of the Special Goods and Services Tax in default, and any balance shall be paid to the owner of the property so seized.

25 (5) It shall be lawful for the District Secretary to recover from any defaulter, reasonable expenses incurred by him in proceeding against such defaulter under this section, notwithstanding that no seizure of property was effected.

30 (6) For the purpose of subsection (3), the expression “movable property” includes any plant or machinery affixed to the ground of a factory.

(7) Where any Special Goods and Services Tax is in default and the Commissioner-General is of the opinion that

the recovery by the means provided in subsection (1) is impracticable or inexpedient, he may issue a certificate to a District Court having jurisdiction in any district where the defaulter resides or in which any property, movable or immovable, owned by the defaulter is situated, containing particulars of the Special Goods and Services Tax in default, and the name and address of the defaulter by whom the Special Goods and Services Tax is payable, and the courts shall thereupon direct a writ of execution to issue to the Fiscal, authorizing and requiring him to seize and sell all or any of the property, movable or immovable, of the defaulter, or such part thereof as he may deem necessary for the recovery of the Special Goods and Services Tax in default, and the provisions of sections 226 to 297 of the Civil Procedure Code (Chapter 101) shall, *mutatis mutandis*, apply to such seizure and sale.

(8) Whenever the Commissioner-General of Inland Revenue issues a Certificate under this section, he shall at the same time issue to the defaulter whether resident or non-resident, a notification thereof by registered post. The non-receipt of such notification by the defaulter shall not invalidate proceedings under this section.

13. (1) (a) Where the Commissioner-General of Inland Revenue is of the opinion in any case that recovery of the Special Goods and Services Tax in default by seizure and sale is impracticable or inexpedient, or where the full amount of the Special Goods and Services Tax in default has not been collected, the Commissioner General of Inland Revenue may issue a certificate containing particulars of the amount of the Special Goods and Services Tax in default and the name and last known place of business or residence of the defaulter to a Magistrate having jurisdiction over the division in which the defaulter resides or is carrying out the business.

Recovery of default Special Goods and Services taxes where seizure or sale is impracticable

(b) The Magistrate shall, on receipt of the Certificate issued under subsection (1), issue summons on the defaulter

requiring him to appear before him on a date to be specified to show cause, as to why further proceedings for the recovery of the Tax in default should not be justified against such defaulter and if sufficient cause is not shown, the Special
5 Goods and Services Tax in default shall be deemed to be a fine imposed by a sentence of the Magistrate on such defaulter for an offence punishable with fine only or not punishable with imprisonment, and the provisions of subsection (1) of section 291 (except paragraphs (a), (d) and (i) thereof) of the
10 Code of Criminal Procedure Act, No. 15 of 1979, relating to default of payment of a fine imposed for such an offence shall thereupon apply, and the Magistrate may make any direction which, by the provisions of that subsection, he could have made at the time of imposing such sentence.

- 15 (2) Nothing in subsections (2) to (5) of section 291 of the Code of Criminal Procedure Act, No. 15 of 1979 shall apply in any case referred to in subsection (1).

- 20 (3) In any case referred to in subsection (1) in which the defaulter is sentenced to imprisonment in default of payment of the fine deemed by that subsection to have been imposed on the defaulter the Magistrate may allow time not exceeding twelve months, for the payment of the amount of the said fine or direct payment of that amount to be made by instalments.

- 25 (4) The Court may be required bail to be given as a condition precedent for allowing time under subsection (1) for showing cause as therein provided or under subsection (3) for the payment of the fine; and the provisions of Chapter XXXIV of the Code of Criminal Procedure Act, No. 15 of
30 1979, shall apply where the defaulter is so required to be given bail.

- (5) Where payment in installments is directed under subsection (3) and default is made in the payment of any one installment, the same proceedings may be taken as if
35 default had been made in payment of all the installments then remaining unpaid.

(6) In any proceeding under subsection (1), the certificate of the Commissioner-General of Inland Revenue shall be sufficient evidence that the Special Goods and Services Tax is in default, and any plea that the Special Goods and Services Tax is excessive, incorrect, or under appeal shall not be entertained.

14. A taxable person who fails to pay all or part of a Special Goods and Services Tax required under this Act on the date referred to in subsection (2) of section 9 or on or before the due date as may be specified in the notice referred to in subsection (5) of section 10, shall be liable to a penalty equal to ten *per centum* of the amount of total due .

Penalty on
late payment

15. (1) Except as provided for in subsection (3), (4) or (5) every person having a duty under this Act or being employed in the administration of this Act, shall regard as secret and confidential all information and documents the person has received in an official capacity in relation to a taxable person, and may disclose that information only to the following persons: -

Official
secrecy

(a) the employees who are carrying out their duties as provided in this Act;

(b) the Minister in the course, and for the purpose, of carrying out supervision of the Director-General of Customs, the Commissioner-General of Inland Revenue, the Commissioner-General of Excise, the Director-General of Telecommunications or the Head of any other relevant authority;

(c) the Auditor-General or any person authorised by the Auditor-General, only when such disclosure is necessary for the purposes of official duties;

(d) tax authorities of a foreign country, in accordance with an international agreement entered into with a specific authority;

- 5 (e) the Attorney-General for the purpose of any criminal proceedings or civil proceedings where actions are instituted by the State or actions filed against the State or where the opinion or advice of the Attorney-General has been sought in writing by the authorized institution;
- (f) a court, in a proceeding to establish a taxable person's tax liability or responsibility for an offence;
- 10 (g) the Head of the Department of Foreign Exchange for the purpose of prosecuting violations under the Foreign Exchange Act, No. 12 of 2017;
- 15 (h) a Commission appointed under the Commissions of Inquiry Act (Chapter 393) in an investigation into the affairs of any person or any person's spouse or child; and
- 20 (i) the Commission to Investigate Allegations of Bribery or Corruption established under the Commission to Investigate Allegations of Bribery or Corruption Act, No. 19 of 1994.
- (2) A person who is permitted to disclose information under subsection (1) shall maintain secrecy except to the minimum extent necessary to achieve the object for which disclosure is permitted.
- 25 (3) A person who receives information under subsection (1) shall maintain secrecy except to the minimum extent necessary to achieve the object for which the information was received.
- 30 (4) The Designated Officer may disclose information concerning a taxable person's affairs to the taxable person or the taxable person's authorised agent only after obtaining reasonable assurance of the authenticity of the claim.

(5) Information concerning a taxable person may be disclosed to another person with the written consent of the taxable person.

5 (6) The obligation as to secrecy imposed by this section shall continue to apply in respect of any person notwithstanding that the person ceases to be appointed under or employed in carrying out the provisions of this Act.

16. Where any amount of the Special Goods and Services Tax is in default then-

10 (a) if the defaulter is a body corporate, every person who at the time when the Special Goods and Services Tax is in default was a Director, Secretary or similar officer of that body; or

15 (b) if the defaulter is a body which is not a body corporate, every person who, at the time when the Special Goods and Services Tax is in default was a member or partner of that body,

Liability of the body corporate, member or partner of the body corporate

20 shall be deemed to be personally liable unless he proves that the Special Goods and Services Tax is in default without his knowledge or that he exercised due diligence to ensure the payment of the Special Goods and Services Tax that was due.

25 **17.** (1) All expenses incurred by the Designated Officer, or any officer authorized by him in any suit or prosecution brought by or against him before any court, shall be paid out of the Consolidated Fund and only costs paid to or recovered by the Designated Officer or any officer authorized by him in any such suit or prosecution, shall be credited to the Consolidated Fund.

Expenses to be paid out of the Consolidated Fund

30 (2) Any expenses incurred by the Designated Officer, or any officer authorized by him in any suit or prosecution brought by or against him before any court in respect of any act which is done or purported to be done by him under this Act shall, if the court holds that such act was done in good
35 faith, be paid out of the Consolidated Fund, unless such expenses are recovered by him in such suit or prosecution.

18. Where any tax, duty, levy, cess or any other charge imposed in respect of any specified goods or services is payable in terms of any enactment set out in the Schedule hereto on the day prior to the coming into operation of an Order made under subsection (3) of section 2, such tax, duty, levy, cess or any other charge shall continue to be recoverable in terms of such enactments notwithstanding the making of an Order under subsection (3) of section 2.

Transitional
provision

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

Regulations

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations in respect of the following matters:-

- (a) Email address of the Designated Officer;
- (b) the Form, fees and procedure to be followed for registration of an importer, a manufacturer or a service provider who is liable to pay the Special Goods and Services Tax under this Act;
- (c) the Form of the certificate of registration to be issued to the taxable person;
- (d) the Form of the certificate issued by a qualified auditor for the purposes of section 8;
- (e) the particulars to be contained in the documents for the purposes of section 8;
- (f) the procedure and manner to be followed in making the request for a refund the amount of paid by a taxable person as the Special Goods and Services Tax in excess of the actual amount which ought to have been paid;

- 5 (g) the procedure to be followed by the Director-General of Customs, the Commissioner- General of Inland Revenue, the Commissioner-General of Excise, the Director-General of Telecommunications or the Head of such other relevant authority for the purpose of providing information on any specified goods imported or manufactured or any specified service provided by any taxable person; and
- 10 (h) providing for any matter which is required to be prescribed or in respect of which regulations are authorized to be made under this Act.

15 (3) Every regulation made under subsection (1), shall be published in the *Gazette* and shall come into operation on the date of publication, or on such later date as may be specified therein.

20 (4) Every regulation made under subsection (1), shall not later than three months after its publication in the *Gazette*, be placed before Parliament for approval. Every regulation which is not so approved shall be deemed to be rescinded as from the date of disapproval, but without prejudice to anything previously done thereunder.

(5) Notification of the date on which any regulation is deemed to be so rescinded shall be published in the *Gazette*.

20. In this Act, unless the context otherwise requires- Interpretation

25 “authorized agent” means -

- (a) any individual specified in items (i), (ii) and (iii) who is authorized in writing by a taxable person to act on his behalf for the purpose of this Act-

- 5 (i) a member of the Institute of Chartered Accountants of Sri Lanka established under section 2 of the Institute of Chartered Accountants Act, No. 23 of 1959;
- (ii) an Attorney-at-Law; or
- (iii) an employee regularly employed by that person;
- 10 (b) where the taxable person is an individual, a relative who is authorized in writing by the taxable person to act on his behalf for the purpose of this Act;
- (c) where the taxable person is a company which is incorporated in or outside Sri Lanka, the Director, Secretary or Principal Officer of the company;
- 15 (d) where the taxable person is a partnership, a partner;
- (e) where the taxable person is a trust, a trustee;
- (f) where the taxable person is a body of persons other than a partnership or company, an individual responsible for accounting for the receipt and payment of moneys from the funds on behalf of the
- 20 body of persons;
- (g) where the taxable person is a non-resident, a person controlling the person's affairs in Sri Lanka, including a manager of a business of that person in
- 25 Sri Lanka;
- “Commissioner-General of Excise” means, the Commissioner-General of Excise appointed under the provisions of section 7 of the Excise Ordinance (Chapter 52);

- “Commissioner-General of Inland Revenue” means, the Commissioner-General of Inland Revenue appointed under the provisions of section 97 of the Inland Revenue Act, No. 24 of 2017;
- 5 “Director-General of Customs” means, the Director-General of Customs appointed under the provisions of section 2 of the Customs Ordinance (Chapter 235);
- 10 “Director-General of Telecommunications” means the Director-General of Telecommunications appointed under the provisions of section 22B of Sri Lanka Telecommunications Act, No. 25 of 1991;
- 15 “licenced commercial bank” means, a bank licenced under the provisions of the Banking Act, No. 30 of 1988;
- 20 “Liquor” includes spirits of wine, spirits, wine, toddy, beer and all liquid consisting of or containing alcohol; also any substance which the Minister may by notification declare to be considered as Liquor for the purposes of this Act;
- “Minister” means, the Minister to whom this Act is assigned under Article 44 or 45 of the Constitution;
- “qualified auditor” means—
- 25 (a) an individual who, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council of such Institute; or
- 30 (b) a firm of Accountants, each of the resident partners of which, being a member of the Institute of Chartered Accountants of Sri Lanka or of any other Institute established by law, possesses a certificate to practice as an Accountant, issued by the Council
- 35 of such Institute; and

“quarter” means, the period of three months commencing on the first day of January, the first day of April, the first day of July, and the first day of October of each year.

- 5 **21.** 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

SCHEDULE

(sections 2,3,4,8 and 18)

	Colum I Name of the Enactment	Colum II Respective Tax
1.	The Excise Ordinance (Chapter 52)	Excise Duty
2.	The Excise (Special Provisions) Act, No. 13 of 1989	Excise Duty
3.	The Telecommunication Levy Act, No. 21 of 2011	Telecommunication Levy
4.	Finance Act, No. 35 of 2018	(i) Cellular Tower Levy (ii) Luxury Tax on Motor Vehicle (iii) Levy on Mobile Short Messages Services (iv) Vehicle Entitlement Levy
5.	The Betting and Gaming Levy Act, No. 40 of 1988	Levy on gross collection
6.	The Customs Ordinance (Chapter 235)	Customs Duty
7.	The Sri Lanka Export Development Act, No. 40 of 1979	Cess
8.	The Ports and Airports Development Act, No. 18 of 2011	Port and Airport Development Levy

