



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

DEFENCE LEVY (AMENDMENT)

ACT, No. 36 OF 1992

[Certified on 7th August, 1992]

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L.D.—O.31/92.

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 1992. Short title.

2. Section 3 of the Defence Levy Act, No. 52 of 1991 (hereinafter referred to as "the principal enactment") is hereby amended as follows :— Amendment of section 3 of Act, No. 52 of 1991.

(1) by the substitution in subsection (1) of that section for all the words and figure from "a defence levy" to the end of that subsection, of the following words and figure :—

'on the turnover (within the meaning of section 5 of the Turnover Tax Act) of that person for that quarter, a defence levy (hereinafter in this Act referred to as the "levy") at the appropriate rates specified in the Schedule to this Act ;' ; and

(2) by the repeal of paragraphs (b) and (c) of subsection (2) of that section and the substitution of the following paragraphs therefor :—

"(b) the value of any article not being plant, machinery or fixtures imported by such person exclusively for use in the manufacture by such person of any article for export ;

(c) the proceeds from the sale of any article manufactured outside Sri Lanka by the person importing such article ; and

(d) the proceeds from the sale of any article to any exporter, if—

(i) the Commissioner General is satisfied, on the production of a letter of credit opened in any bank in Sri Lanka in respect of the export of that article or other documentary evidence, that such article has in fact been exported from Sri Lanka ; and

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(ii) the receipt of the proceeds in foreign exchange, from the export of that article is certified by a bank in Sri Lanka to which such proceeds have been remitted, ".

**Amendment
of section
4 of the
principal
enactment.**

3. Section 4 of the principal enactment is hereby amended by the repeal of paragraphs (a), (b) and (c) of that section and the substitution therefor, of the following paragraphs :—

"(a) for the quarter commencing on January 1, 1992—

(i) an amount equivalent to one *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 one *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 ;

(b) for the quarter commencing on April 1, 1992—

(i) an amount equivalent to one *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 three *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 ;
- (c) for every quarter commencing on or after July 1, 1992—
- (i) an amount equivalent to three *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 three *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.”

4. Section 5 of the principal enactment is hereby amended by the repeal of paragraph (a) of subsection (1) of that section, and the substitution therefor, of the following paragraph :—

Amendment
of section
5 of the
principal
enactment.

- “(a) at the time at which it opens any letter of credit in any month in a relevant quarter, on an application in that behalf being made by any person to whom this Act applies, being an importer of any article, collect from such person an amount equal to—
- (i) one *per centum* of the value of that letter of credit, where such letter of credit is opened prior to the date on which this paragraph comes into force ; and

(ii) three per centum of the value of such letter of credit, where such letter of credit is opened on or after the date on which this paragraph comes into force; and ”

Amend-
ment of
section 6
of the
principal
enactment.

5. Section 6 of the principal enactment is hereby amended by the substitution for the words “in respect of the import of any article (other than any plant, machinery or fixture) he shall be” of the words “in respect of any article (other than any plant, machinery or fixture) imported by him, or purchased by him from a registered manufacturer within the meaning of section 46 of the Turnover Tax Act, being in each case an article which is used exclusively in such business of manufacture, he shall be”.

Addition of
Schedule
to the
principal
enactment.

6. The following Schedule is hereby added at the end of the principal enactment and shall have effect as the Schedule to the principal enactment:—

“ SCHEDULE

(Section 3)

Quarter

Rate

for the quarter commencing on .. 1 per centum
January 1, 1992

for the quarter commencing on .. 2.3 per centum
April 1, 1992

for the quarter commencing on .. 3 per centum
July 1, 1992 and October 1, 1992,
respectively.”.

Retros-
pective
effect.

7. The amendments made to the principal enactment by subsection (2) of section 2 and by section 5 of this Act, shall be deemed for all purposes to have come into force on July 1, 1992.

Validation.

8. Where any bank collects for remittance to the Commissioner-General, during the period commencing on May 15, 1992 and ending on the date of commencement of this Act, from an importer of an article on his opening a letter of credit, an amount in excess of one per centum of the value of such letter of credit, such collection shall be deemed, for all purposes, to have been, and to be, validly made, and such bank is hereby indemnified against all actions, civil or criminal, in respect of such collection.

9. Where a person to whom this Act applies is required by section 4 of the principal enactment as amended by section 3 of this Act to pay to the Commissioner-General in respect of any month or quarter prior to the date of commencement of this Act, an amount in excess of one *per centum* of the turn over of that person for that month or quarter, as the case may be, such person shall be deemed for all purposes, to have complied with the requirements of that section if he pays to the Commissioner-General, within thirty days of the date of commencement of this Act, the difference between the amount he was required by section 4 of the principal enactment as amended by section 3 of this Act, to pay for that month or quarter, as the case may be, and the amount paid, or deemed to have been paid by him for that month or quarter, as the case may be. Where such difference is not so paid, such difference shall be deemed to be in default after the expiration of thirty days from the date of commencement of this Act, and such person shall be deemed to be a defaulter within the meaning of the principal enactment, with effect from that date.

Transitional provision.

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

Sinhala text
to prevail
in case of
inconsis-
tency.

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