



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

FINANCE ACT, No. 11 OF 2004

[Certified on 28th October, 2004]

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L. D.—O. 24/2004.

AN ACT TO MAKE PROVISION FOR THE IMPOSITION OF CERTAIN CHARGES AND LEVIES CONSEQUENTIAL TO THE 2004 BUDGET PROPOSALS; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH AND 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 Finance Act, No. 11 of 2004. Short title.

PART I

IMPOSITION OF AN ECONOMIC SERVICE CHARGE

2. (1) An Economic Service Charge (hereinafter referred to as “the Service Charge”) shall, subject to the provisions of this Act, be chargeable from every person and every partnership for each year of assessment commencing on or after April, 1, 2004 (hereinafter in this Act referred to as “the relevant year of assessment”) in respect of every part of the liable turnover of such person or partnership for that relevant year of assessment, at the rate specified in the Schedule to this Act :

Imposition of an Economic Service Charge.

Provided that no Service Charge shall be charged from any person or partnership being a BOI enterprise, for the relevant year of assessment commencing on April 1, 2004 .

(2) Notwithstanding the provisions of subsection (1), the Service Charge chargeable from any person or partnership for any relevant year of assessment shall be charged if and only if, the liable turnover of such person or partnership for that relevant year of assessment exceeds rupees fifty million :

Provided that the Service Charge chargeable from any person or partnership for any relevant year of assessment shall in no case exceed rupees fifty million.

2-H 022757-10,275 (2004/08)

(3) In this section—

“liable turnover” in relation to any person or partnership and to any relevant year of assessment means, the aggregate turnover of every trade, business, profession or vocation other than any trade, business, profession or vocation the commercial operations of which commenced, whether by such person or partnership or by any other person or partnership, on a date which falls within the period of thirty-six months immediately preceding the first day of that relevant year of assessment, carried on or exercised by such person or partnership as the case may be, in Sri Lanka whether directly or through an agent or more than one agent, being the turnover for the year of assessment immediately preceding that relevant year of assessment ; and

“turnover” in relation to any trade, business, profession or vocation and to any year of assessment means the total amount receivable, whether actually received or not, from every transaction entered into, in that year of assessment in the course of such trade, business, profession or vocation carried on or exercised by such person or partnership, after deducting therefrom—

- (i) any sum included in such total amount being a sum which represents the value added tax in respect of that transaction, provided that the person or partnership who or which carries on or exercises such trade, business, profession or vocation is at the time of such transaction registered under section 10 of the Value Added Tax Act, No. 14 of 2002 ;
- (ii) the total proceeds from the disposal of any capital asset in respect of which an allowance for depreciation has been granted under section 23 of the Inland Revenue Act ; and

- (iii) the amount of any bad debt incurred by that trade, business, profession or vocation during that year of assessment, being an amount which had been included in the liable turnover of such trade, business, profession or vocation of any previous year of assessment,

increased by the amount of any sum received during that year of assessment on account of any bad debt written off or allowed in any previous year of assessment.

Provided that—

- (a) in the case of a bank, the receipts of such bank by way of, or on account of, interest, discounts, dividends, exchange, service charges, commissions, brokerage and any other income derived by the bank in the course of its business shall be deemed to be included in the turnover of such bank ; and

- (b) in the case of a person carrying on insurance business, insurance premia received, or receivable in respect of,—

- (i) life insurance ; and

- (ii) insurance against damages or destruction by strike, riot, civil commotion, or acts of terrorism and paid into the Consolidated Fund,

shall be deemed not to be included in the turnover of such insurance business.

3. (1) The amount of any Service Charge paid by any person or partnership for any relevant year of assessment may be deducted from the relevant income tax payable by that person or partnership for that relevant year of assessment (hereinafter referred to as the "first mentioned relevant year of assessment").

Service Charge
to be set off
from relevant
income tax.

(2) The balance, if any, of such service charge after its deduction in accordance with subsection (1) shall be deducted from the relevant income tax payable by such person or partnership for the relevant year of assessment immediately succeeding the first mentioned relevant year of assessment (hereinafter referred to as the "first succeeding relevant year of assessment").

(3) The residue if any of the balance, of such service charge after its deduction in accordance with subsection (2) shall be deducted from the relevant income tax payable for the relevant year of assessment immediately succeeding the first succeeding relevant year of assessment (hereinafter referred to as the "second succeeding relevant year of assessment").

(4) In no circumstances shall—

(a) the aggregate deduction exceed the amount of such Service Charge ; and

(b) the remaining portion, if any of the residue referred to in subsection (3) after its deduction in accordance with subsection (3), be deducted from any income tax payable for any relevant year of assessment succeeding the second succeeding relevant year of assessment.

(5) For the purposes of this section and in relation to any person or partnership and to any relevant year of assessment, the expression—

"relevant income tax payable" means the sum which bears to the aggregate statutory income of that person or partnership for that relevant year of assessment from every trade, business, profession or vocation carried on or exercised by that person or partnership, other than any trade, business, profession or vocation the commercial operations of which commenced, whether

by such person or partnership or by any other person or partnership, on the date which falls within the period of thirty six months immediately preceding the first day of that relevant year of assessment, the same proportion as the total income tax payable by such person or partnership for that relevant year of assessment bears to the total statutory income of that person or partnership for that relevant year of assessment ; and

“total income tax payable” means the sum ascertained by the application of the income tax rate prescribed in the appropriate Schedule to the Inland Revenue Act, to the taxable income of such person or partnership for that relevant year of assessment.

4. Notwithstanding anything to the contrary in any law the portion of the Service Charge referred to in subparagraph (b) of subsection (4) of section 3, shall not be refunded.

Remaining part of the Service Charge not to be refunded.

5. Every person and every partnership chargeable with the Service Charge for any relevant year of assessment shall, by communication in writing addressed to the Commissioner-General, give notice of such chargeability, before the first day of June of that relevant year of assessment. Such notification shall disclose the income tax file number or the personal identification number as the case may be assigned by the Commissioner-General, to such person or partnership :

Notice of chargeability.

Provided that in the case of the relevant year of assessment commencing on April 1, 2004 such notice shall be given within a period of thirty days of the date of the coming into operation of this Act.

6. The Service Charge which any person or partnership is chargeable with for any relevant year of assessment shall, notwithstanding that no assessment has been made on such person or partnership by an Assessor, be paid to the Commissioner-General in the manner specified by him in

Service Charge to be paid in four quarterly instalments.

four quarterly instalments, on or before the thirtieth day of June, thirtieth day of September, thirty first day of December and thirty first day of March in that relevant year of assessment. Each such quarterly instalment shall be one quarter of the Service Charge payable for that relevant year of assessment :

Provided that any person liable to pay any sum to the Commissioner-General of Inland Revenue for the period commencing on or after April 1, 2004 and ending on June 30, 2004 and to whom the provisions of the proviso to section 5 applies, shall be deemed to have complied with the provisions of this section if such sum is paid to the Commissioner-General on or before September 30, 2004.

Furnishing
return of liable
turnover.

7. Every person and partnership chargeable with the Service Charge for any relevant year of assessment shall, whether or not required by an Assessor in that behalf, furnish to an Assessor, on or before the last day of that relevant year of assessment, a return in such form and containing such particulars as may be specified by the Commissioner-General, of his or its, as the case may be, liable turnover. The return for each instalment shall also show the basis of the calculation of the Service Charge and any other details as specified by the Commissioner-General under this section.

Maintenance of
records.

8. Every person and partnership chargeable with the Service Charge shall maintain a record of the transactions of every trade, business, profession or vocation carried on or exercised by such person or partnership, in such manner as would facilitate the reconciliation of the return of liable turnover furnished by such person or partnership under section 7 of this Act, with such record.

Assessor to make
assessments.

9. Where in the opinion of an Assessor, any person or partnership who or which being chargeable with the Service Charge for any relevant year of assessment—

(a) has not paid the Service Charge ; or

- (b) has paid an amount less than the proper amount which such person or such partnership ought to have paid as Service Charge for such relevant year of assessment,

such Assessor may assess the amount of the Service Charge which, in his opinion, ought to have been paid by such person or partnership as the Service Charge for that relevant year of assessment and shall by notice in writing require such person or partnership to forthwith pay—

- (a) the amount of the Service Charge so assessed for that relevant year of assessment, if that person or that partnership has not paid any Service Charge for that relevant year of assessment ; or
- (b) the difference between the amount of the Service Charge so assessed and the amount of the Service Charge actually paid by such person or partnership for that relevant year of assessment, if such person has paid any amount as Service Charge for that relevant year of assessment.

10. Any instalment or part thereof the service charge not paid on or before the date specified for the making of the payment as are required in section 6, shall be deemed to be in default and any individual, a partner of a partnership, a director or other principal officer of a company or any other body corporate including a public corporation, any member or an officer of any unincorporated body, which is liable to pay the service charge which is in default shall be deemed to be a defaulter for the purposes of this Part of this Act.

Service Charge not paid deemed to be in default.

11. The provision of Chapters XIX, XX, XXI, XXII, XXIII, XXIV, XXV, XXVI, and XXVII of the Inland Revenue Act, relating respectively to the Appeals. Finality of Assessments and Penalty for Incorrect Returns, Tax in Default and Sums Added Thereto. Recovery of Tax, Miscellaneous matters, Repayment, Penalties and Offences, Administration and

Certain provisions of the Inland Revenue Act, No. 38 of 2000 to apply.

General matters shall *mutatis mutandis*, apply respectively to the Appeals, Finality of Assessments and Penalty for Incorrect Returns, Service Charge in default and sums added thereto, Recovery of Service Charge, Miscellaneous matters, Repayment, Penalties and Offences, Administration and General matters under this Act.

Interpretation.

12. In this Act unless the context otherwise requires—

“agent”, “allowance for depreciation ” and “Assessor”, shall have the respective meanings assigned to them in the Inland Revenue Act ;

“BOI enterprise” means any enterprise with which an agreement has been entered into by the Board of Investment of Sri Lanka under the Board of Investment of Sri Lanka Law, No. 4 of 1978 ;

“business”, “capital asset”, “Commissioner General”, “disposal” shall have the respective meanings assigned to them in the Inland Revenue Act ;

“Commissioner-General” and “Deputy Commissioner” shall have the same meaning as in the Inland Revenue Act,

“Inland Revenue Act” means the Inland Revenue Act, No. 38 of 2000 ;

“partnership”, “proceeds” and “profits or income” shall have the respective meanings assigned to them in the Inland Revenue Act ;

“person” includes a company or body of persons but does not include any registered society within the meaning of the Co-operative Societies Law, No. 5 of 1972.

“statutory income”, “taxable income”, “trade”, and “year of assessment” shall have the respective meanings assigned to them in the Inland Revenue Act.

13. (1) The provisions of this Part of this Act shall be deemed for all purposes to have come into operation on April 1, 2004.

Date of Coming into operation of this Part.

(2) Where any amount has been collected by the Commissioner-General as Service Charge in terms of this Part of the Act during the period commencing from April 1, 2004 and ending on the date of commencement of this Act, the Service Charge so collected shall be deemed to have been validly charged and levied and the Commissioner-General is hereby indemnified from any action civil or criminal in respect of the collection of such Service Charge.

PART II

IMPOSITION OF CELLULAR MOBILE TELEPHONE SUBSCRIBERS' LEVY

14. There shall be charged and levied from every person using a cellular mobile telephone, (hereinafter referred to as "the user") for each year commencing on or after January 1, 2004 a levy called Cellular Mobile Telephone Subscriber Levy (hereinafter referred to as 'the levy') at the rate of two and half *per centum* calculated on the value of supply of services or future services by the mobile telephone operator as referred to in section 15 to the user of such cellular mobile telephone in respect of each month :

Imposition of Cellular Mobile Telephone Subscribers' 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.

For the purposes of this section the "value of supply" shall have the same meaning as is assigned to it in the Value Added Tax Act, No. 14 of 2002.

15. The levy payable under section 14 shall be collected by the mobile telephone operators licensed under section 17 of the Sri Lanka Telecommunications Act, No. 25 of 1991

Mode of collection of levy.

and paid to the Telecommunications Regulatory Commission of Sri Lanka (hereinafter referred to as "the Commission") established under the aforesaid Act, within fifteen days from the end of each month commencing on or after January 1, 2004 along with such details as may be specified by the Commission.

Commission to collect levy on behalf of the government.

16. The levy, collected by the Commission on behalf of the Government in respect of each month in terms of section 15, shall be credited within seven days from the receipt of the levy as provided for in section 15 to the Consolidated Fund.

Secretary Treasury to issue guidelines.

17. 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.

18. (1) Any Licensed Mobile Telephone 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 14, 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 a surcharge in addition to the levy in default, calculated—

- (a) at the rate of ten *percentum* 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 15 ; and
- (b) at the rate of two *percentum* 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 name 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 taken 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.

Operation of the provisions of this Part.

19. The provisions of this Part of this Act shall be deemed for all purposes to have come into operation with effect from January 1, 2004.

Indemnity.

20. The amount of the levy charged and collected by any Licensed Mobile Telephone Operator from any user, during the period commencing from January 1, 2004 and ending on the date of commencement of this Act, shall be deemed to have been so validly charged and levied and such operator is hereby indemnified from any action civil or criminal in respect of the collection of such levy.

PART III

IMPOSITION OF INTERNATIONAL TELECOMMUNICATIONS OPERATORS LEVY

Imposition of International Telecommunications Operators Levy.

21. (1) An International Telecommunications Operators Levy (hereinafter to as "the operator's levy") shall be charged and levied in respect of the whole number of minutes of incoming and outgoing international calls during each calendar month from every person who obtains a license for carrying out operations (hereinafter referred to as "the licensee") from the Commission in the manner provided for in this section :

Provided that for the purposes of this section, "International Telecommunication Operators" shall mean any operator licensed under section 17 of the Sri Lanka Telecommunications Act, No. 25 of 1991 to provide international telecommunication services :

Provided further, the operator's levy payable for the period commencing on March 3, 2003 shall, until regulations made under section 26 come into operation, be calculated—

- (a) at the rate of United States Dollar cents eleven per minute, for the duration of the incoming

international call and at the rate of Sri Lanka rupees four and cents forty per minute for the duration of the outgoing international call, during the period commencing March 3, 2003 and ending on March 31, 2004 ; and

- (b) at the rate of United States Dollar cents nine per minute, for the duration of the incoming international call and at the rate of Sri Lanka rupees three and cents ninety per minute for the duration of the outgoing international call, during the second year commencing on April 1, 2004.

(2) Where any payment is to be converted from United States Dollars to Sri Lankan rupees for the purpose of effecting payment, the selling rate of exchange as fixed by the Central Bank of Sri Lanka for the day previous to the day on which payment is made, which rate is available on the website of the Central Bank of Sri Lanka shall be used. In the event that payments are made in respect of previous periods, the average for the period of the selling rate shall be used.

22. (1) The operators levy shall be payable with effect from March 03, 2003 and shall be calculated on the duration of each incoming and outgoing international call facilitated by an operator who is a licensee, at such rates as may be prescribed by regulation.

Amount of operator's levy.

Provided that, the Minister may having regard to—

- (a) the written representations if any, made to him by a majority of the International Telecommunication Operators Licensees requesting a review of the rates ; or
- (b) the prevailing conditions of the domestic and international telecommunications market,

from time to time vary the rate set out in any regulation made in terms of this section.

(2) The amount of the operator's levy payable for the period commencing from March 03, 2003 to March 31, 2004 by a licensee, shall be paid to the Commission within a period of one month from the date of the coming into operation of this Act.

(3) The operator's levy payable for each month commencing from April 01, 2004 shall be paid within thirty working days from the end of each month to the Commission along with any details as may be specified by the Commission.

(4) Regulations may be made prescribing the manner and mode in which and the purposes for which any levy paid to the Commission under subsections (2) and (3) shall be disbursed.

Commission to
issue guidelines.

23. The Commission may issue guidelines and other necessary instructions necessary for the implementation of the provisions of this Part of this Act.

Action in cases
of default in
payment.

24. (1) Any International Telecommunication 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 in section 21, 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 a surcharge in addition to the levy in default, calculated—

(a) at the rate of ten *per centum* of the amount of such levy as is in default for a period of one month or part thereof, 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,

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 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 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 name of the Chairman, the Board of Directors and of every Director of such body corporate.

(6) The Magistrate shall on receipt of the Certificate issue 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 taken 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.

Offences and penalties.

25. (1) Every licensee—

- (a) who contravenes or fails to comply with any of the provisions of this Part of this Act or any regulation made thereunder ; or
- (b) fails to comply with any direction or order given or made under this Part ; or
- (c) knowingly furnishes or causes to be furnished any false information under any requirement to furnish information in terms of this Part,

shall be guilty of an offence and shall upon conviction after summary trial before a Magistrate be liable to a fine not exceeding one hundred thousand rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.

(2) Where an offence under this Part of this Act is committed by a body of persons, then—

- (a) if that body of persons is a body corporate, every director or officer of that body corporate ; or
- (b) if that body of persons is a firm, every partner of that firm,

shall be guilty of such offence ;

Provided that no such director, officer of that body corporate, or partner of that firm shall be deemed to be guilty of such offence if he proves that such offence was committed without his knowledge or that he exercised due diligence to prevent the commission of such offence.

26. (1) The Minister may make regulations for the purpose of giving effect to the principles and provisions of this Act and in respect of any matter which is required or authorized by this Act to be prescribed.

Regulations.

(2) Subject to the provisions of subsection (1), regulations may be made in respect of all or any of the following matters:—

- (a) the manner and mode in which any levy paid to the Commission is to be disbursed ;
- (b) the purposes for which any levy paid to the Commission is to be disbursed.

(3) Every regulation made under subsection (1) shall be published in the Gazette and shall take effect from the date of such publication or on such later date as may be specified therein.

(4) Every regulation made under subsection (1) shall be as soon as convenient be placed before Parliament for its approval. Any regulation which is not so approved shall be deemed to be disapproved with effect from the date of disapproval but without prejudice to anything done thereunder.

(5) Notification of the date of disapproval of any regulation shall be published in the Gazette.

27. (1) The provisions of this Part of this Act shall be deemed for all purposes to have come in to operation on March 03, 2003.

Date of operation of this Part.

(2) The amount of the levy charged and collected by any International Telecommunication Operator from any user, during the period commencing from March 03, 2003 and ending on the date of commencement of this Act, shall be deemed to have been so validly charged and levied and such operator is hereby indemnified from any action civil or criminal in respect of the collection of such levy.

Avoidance of doubts.

28. For the avoidance of doubts it is hereby declared that any International Telecommunication Operator to whom the provisions of this Part applies, shall be deemed to have complied with the requirements of paragraph (a) or paragraph (b) as the case may be, of the second proviso to subsection (1) of section 21, if he pays—

- (a) in respect of the period commencing on March 3, 2003 and ending on March 31, 2004, the difference between the sum of United States Dollar cents seven point two (7.2) which amount has been actually paid by him and the United States Dollar cents eleven payable by him in terms of the aforesaid section ; and
- (b) in respect of the second year commencing on April 1, 2004 up to the date of the coming into operation of this Act, the difference between the sum of United States Dollar cents five point two (5.2) which amount has been actually paid by him and the United States Dollar cents nine payable by him in terms of the aforesaid section.”

PART IV

AMENDMENTS TO THE FINANCE ACT, No. 25 OF 2003

Amendment of section 11 of Part II of the Finance Act, No. 25 of 2003.

29. Part II of the Finance Act, No. 25 of 2003 is hereby amended in section 11 thereof, by the substitution for the words “to be called the Tourism Development Levy” of the words—

“to be called the Tourism Development Levy.”

Provided however such levy shall not be charged on the turnover of any General Sales Agent licensed under the Tourist Development Act, No. 14 of 1968 as a Travel Agent, with effect from January 1, 2004.”

30. The provisions of this Part of this Act shall be deemed to have come into operation with effect from January 1, 2004.

Date of operation of this Part of the Act.

31. 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

[Section 2(1)]

<i>Part of the Liable Turnover</i>	<i>Rate of the Service Charge applicable to that Part</i>
1. Such part of the liable turnover as consists of the turnover from any trade, business, profession or vocation the profits and income from which are exempt from income tax.	0.25 percentum
2. Such part of the liable turnover as consists of the turnover from any trade, business, profession or vocation of any BOI enterprise which had entered into an agreement under section 17 of the Board of Investment of Sri Lanka Law, No. 4 of 1978.	0.25 percentum
3. Such part of the liable turnover as consists of the turnover from any trade, business, profession or vocation the profits and income from which are chargeable with income tax at any rate specified in the Sixth Schedule to the Inland Revenue Act.	0.5 percentum
4. Such part of the liable turnover as consists of the turnover from any trade, business, profession or vocation the profits and income from which are chargeable with income tax at any rate other than a rate specified in the Sixth Schedule to the Inland Revenue Act.	1.0 percentum

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