

Betting and Gaming Levy Act, No. 40 of 1988
[Incorporating Amendments up to 30.04.2013]

Betting and Gaming Levy Act, No. 40 of 1988

[Certified on 24th November, 1988]

AN ACT TO PROVIDE FOR THE IMPOSITION OF AN ANNUAL LEVY ON PERSONS CARRYING ON THE BUSINESS OF BOOKMAKER OR GAMING; AND FOR MATTERS CONNECTED THERWITH 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 Betting and Gaming Levy Act, No. 40 of 1988 Short title

- 2 (1) Subject to the other provisions of this act, and notwithstanding any other law, there shall be charged and levied for the year commencing on April 1st 1988, and in respect of every year thereafter, on every person who carries on in Sri Lanka, whether lawfully or unlawfully, during that year (for whatever period)
 - (a) the business of bookmaker; or
 - (b) the business of gambling,

a levy (hereinafter referred to as the “Levy”) equivalent to the respective amounts set out in the Schedule to this Act. 2 of 7 of 2001
2 of 9 of 2005

Provided however, that where any person commences to carry on any such business as is referred to in paragraph (a) or (b) on or after October 1 of any year, he shall be liable to pay half the levy payable by him under this Act, for that year.

- (1A) **Every person who is liable to pay the levy under subsection (1) shall, in addition to the payment of such levy, be charged a levy at the rate of five *per centum*, on the gross collection of the businesses referred to in paragraphs (a) or (b) of subsection (1) carried on by him in respect of each month:** 2 of 19 of 2013

Provided however, the person who is liable to pay the levy under this subsection, shall not be liable to pay the Value Added Tax under the Value Added Tax Act, No.14 of 2002 or the Nation Building Tax under the Nation Building Tax Act, No.9 of 2009, on such collection:

Provided further, that any person whose gross collection in respect of the businesses referred to in paragraphs (a) or (b)

of subsection (1) does not exceed one million rupees per month, such person shall not be liable to pay the levy required to be paid under this subsection.

(1B) Every person who is liable to pay the levy under subsection (1A), shall- 2 of 19 of 2013

(a) on or before the twentieth day of the month following the end of the relevant quarter, furnish to the Commissioner General either in writing or by electronic means a return in such form and containing such particulars as may be specified by the Commissioner General, of the gross collection of such person; and

(b) pay such levy in respect of each month, on or before the end of the first week of the month following the end of that month.

(1C) Where any person who is liable to pay the levy under subsection (1A), fails to pay the levy thereof, the provisions of subsections (2), (3), (4), (5) and (6) of section 4 of this Act shall, *mutatis mutandis* apply in respect of such failure to pay the levy payable under subsection (1A). 2 of 19 of 2013

(1D) For the purposes of this section— 2 of 19 of 2013

(a) “gross collection” means the total amount recovered from the business of bookmaker or business of gaming in respect of that month ;

(b) “relevant quarter” means the period of three months commencing on the first day of January, first day of April, first day of July or first day of October of any year.”.

(2) Nothing in the preceding provisions of this section shall be construed as conferring legality on any business referred to in this section if such business is prohibited by law.

2A **(1)** Every person who, on or after January 1, 2013 carries on the 2 of 19 of 2013

business of a bookmaker or gaming, as is referred to in subsection (1) of section 2, shall register with the Department of Inland Revenue, within five months from the date of commencement of this Act or within one month from the date of commencement of the business as the case may be. Registration of betting or gaming business

- (2) **The Commissioner General shall issue a certificate of registration containing the name, address, registration number and any other particulars as may be determined by him to every person registered under subsection(1).**
- (3) **Every person who acts in contravention of the provisions of subsection (1), shall commit an offence and shall, on conviction after summary trial by a Magistrate, be liable to a fine not exceeding ten million rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.”.**

3 Where any business, as is referred to in subsection (1) of section 2, is carried on in different places by the same person he shall be deemed to carry on a separate business in each such place and shall be liable to pay the levy in respect of each such business. Business in each place a separate business
11 of 11 of 2002

4 (1) A person liable to pay the levy under this Act for any year commencing prior to April 1, 2002 shall pay such levy, to the Commissioner-General in four equal installments, on or before the fifteenth day respectively of July, October, and January in that year and the fifteenth day of April of the succeeding year: Payment of the levy
12(1) of 11 of 2002

Provided however, that a person who commences to carry on any such business as is referred to in section 2, after the first day of April in any year, shall pay the levy is liable to pay under this Act for that year in such number of installments, and on such dates, as the Commissioner-General may consider reasonable having regard to all the circumstances of the case;

Provided further that a person who is liable to pay an installment of the levy on or before the fifteenth day of July, 1988, or on or before the fifteenth day of October, 1988, shall be deemed not to be in default in the payment of such installment, if he pays such installment within sixty days of the date of commencement of this Act, and where he fails to pay such installment within the aforesaid sixty days, such installment shall be deemed to be in default and the provision of this Act relating to the recovery of an installment of the levy shall apply to the recovery of such installment.

- (1A) A person liable to pay the levy under this Act for any year commencing on or after April 1, 2002 shall pay the levy to the Commissioner-General in four equal installment on or before the first day respectively, of April, July, October and January of that year. For the purpose of payment of the levy the Commissioner-General may issue an identification number to the person liable to pay the levy: 12(2) of 11 of 2002
- Provided however, that the levy payable by any person for the year of assessment commencing on April 1, 2002, shall be paid by him in three equal installments on or before the first day respectively, of July, October and January of the year: 12(2) of 11 of 2002
- Provided further that, a person who commences to carry on any such business as is referred to in section 2 after the first day of April of any such year shall pay the levy he is liable to pay under this Act for that year in such number of installment not exceeding four, and on such dates as the Commissioner-General may consider reasonable, having regard to all the circumstances of the case. 12(2) of 11 of 2002
- (2) Where any person liable to pay the levy under this Act fails to any installment thereof on or before the dates specified or determined, under subsection (1) or (1A) for the payment thereof, the installment shall be deemed to be in default and such person shall be deemed to be a defaulter, for the purpose of this Act. 12(3) of 11 of 2002
- (3) Where any installment of the levy is in default and 3 of 7 of 2001
- (a) the default is in respect of an installment payable in any year commencing on or after April 1, 1988 but prior to April 1, 2001, the defaulter shall, in addition to the installment in default, pay as penalty
- (i) a sum equivalent to ten per centum of the installment in default; and
- (ii) where the installment in default is not paid before the fifteenth day of the month succeeding the month in which such installment had begun to be in default, a further sum equivalent to two per centum of the installment in default in respect of each period ending on the fifteenth day of each succeeding month or part of such period, during which it is in default:

provided however, that the total amount payable as penalty under this paragraph shall, in no case exceed fifty per centum of the installment in default; and

- (b) the default is in respect of an installment payable in any year commencing on or after April 1, 2001, the defaulter shall in addition to the installment in default, pay as penalty, a further sum equivalent to thirty three and one third per centum of the installment in default, in respect of each period ending on the fifteenth day of each month, succeeding the month in which the installment had begun to be in default or part of such period during which the installment is in default:

provided however, that the total amount payable as penalty under this paragraph shall in no case exceed one hundred per centum of the installment in default.

- (3A) The Commissioner-General may reduce or waive any penalty payable under subsection (3), if the Commissioner-General is satisfied that by reason of special circumstances in which the default occurred, a reduction or waiver of such amount would be just and equitable.

- (4) Any installment in default together with such penalty as is referred to in subsection (3) of this section may be recovered from the person who is the defaulter.

- (5) The provisions of chapters XI and XII and section 40, 41, 42, 43 and 57 of the Turnover Tax Act, shall, mutatis mutandis, apply to the payment and recovery of any installment of the levy payable under this Act,

- (6) Where any installment of the levy is in default, the Commissioner-General may issue a certificate containing particulars of the installment in default and the name of the defaulter to the Inspector-General of Police and the Inspector-General of Police shall on receipt thereof, take such measures as may be necessary to stop the defaulter from carrying on the business of bookmaker or gaming, as the case may be, at the place as shall be specified in such certificate.

12(4) of 11 of 2002

- 5 (1) Every person who

Offences

- (a) fails to comply with any requirement imposed on him under section 38 of the Turnover Tax Act read with section (45) of this Act:

- (b) willfully furnishes any false information affecting his liability to the levy or the liability of any other person to the levy;
- (c) Willfully resists or obstruct the Commissioner-General or an officer of the Inland Revenue Department in the exercise of the powers conferred on the Commissioner –General or such officer by or under section 42 or section 43 of the Turnover Tax Act, read with 4(5) of this Act;
- (d) who being a person required to take an oath under section 57 of the Turnover Tax Act read with section 4(5) of this Act, acts under this Act without taking such oath; or
- (e) Acts in contravention of section 57 of the Turnover Tax Act read with section 4(5) of this Act,

4 of 7 of 2001

Shall be guilty of an offence under this Act and shall, on conviction after summary trial by a Magistrate, be liable to a fine not exceeding ten thousand rupees or to imprisonment of either description for a term not exceeding one year, or to both such fine and imprisonment.

- (2) The Commissioner-General may compound any offence under subsection (1) if he is satisfied that by reason of any special circumstances in which the offence was committed, compounding of the offence would be just and equitable.
- (3) No prosecution in respect of an offence under subsection (1) shall be instituted in any court except with the sanction of the Commissioner-General.

- 6
- (1) The Commissioner-General shall be in charge of the administration of Administration this Act.
 - (2) The Commissioner-General may delegate in writing, to any Deputy Commissioner or Assessor any power or function conferred on, or assigned to, him by this Act.
 - (3) Every Deputy Commissioner or Assessor to whom any power or function has been delegated under subsection (2) shall exercise or discharge that power, subject to the directions of the Commissioner-General.
 - (4) A Deputy Commissioner or Assessor exercising or discharging any power of function of the Commissioner-General under this Act shall be

deemed for all purposes to be authorized to exercise or discharge that power or function, until the contrary is proved.

- 7 In this Act, unless the context otherwise requires Interpretation
“Assessor”, “Commissioner-General”, and “Deputy Commissioner”, shall 4 of 19 of 2013
have the respective meanings assigned to them by section 59 of the
Turnover Tax Act ;
“bookmaker” means a person who receives or negotiates
(a) directly or indirectly;
(b) in cash or in credit,
bets on horse races run, or proposed to be run, in or outside Sri Lanka;
“business” means any business referred to in paragraph (a) or paragraph (b) of
section 2 and includes a like vocation or, entering into transaction of a like
nature among members of a club;
“gaming” means the plying of any game for a stake, and includes the playing 2 of 23 of 2003
of baccarat, punto banco, big six, black jack, boule chemin de fer, chuch-a-
luck, crown and anchor, faro, faro bank, hazard, poker dice, pontoon, American
for French roulette, trend quarantine, *Vingt-et-um*, rudjino or wheel of
fortune in any premises to which individuals have access.—
“person” includes any company, body of persons, corporate or 4 of 19 of 2013
unincorporate or any partnership;”.
(a) with or without payment; or
(b) whether as of right or not;
“Turnover Tax Act” means the Turnover Tax Act, No. 60 of 1981;
“year” means the period of twelve months commencing on the first day of
April of any year and ending on the thirty-first day of March in the
immediately succeeding year.
- 8 In the event of any inconsistency between the Sinhala and Tamil texts of Sinhala text to
this Act, the Sinhala text shall prevail. prevail in case
of inconsistency

Schedules

Part I			
The amount of the levy payable by a person carrying on the business of bookmaker for every year specified in Column I hereto, shall be equivalent to the amount specified in the corresponding entry in Column II hereto—			2 of 14 of 2006 6 of 19 of 2013
	<i>Column I</i>	<i>Column II</i>	
	<i>Year</i>	<i>Amount of Levy</i>	
1.	For every year commencing on or after April 1, 1988, but prior to April 1, 2001	One hundred thousand rupees	
2.	For every year commencing on or after April 1, 2001, but prior to April 1, 2002	One million rupees.	
3.	For every year commencing on or after April 1, 2002, but prior to April 1, 2005-		
	(i)	where live telecast facilities are used in carrying on the business.	Thirty thousand rupees.
	(ii)	where live telecast facilities are not used in carrying on the business.	Ten thousand rupees.
4.	For every year commencing on or after April 1, 2005 but prior to April 1, 2006 for betting business done-		2 of 14 of 2006 6 of 19 of 2013
	(i)	Through Agents.	One million rupees.
	(ii)	by the use of live telecast facilities in carrying on the business.	Two hundred and fifty thousand rupees.
	(iii)	where live telecast facilities are not used in carrying on the business.	Twenty five thousand rupees.
5.	For every year commencing on or after April 1, 2006 but prior to April 1, 2013 for betting business carried out –		
	(i)	through Agents.	one million rupees.
	(ii)	by the use of live telecast facilities in carrying on the business.	three hundred thousand rupees.

	(iii)	where live telecast facilities are not used in carrying on the business.	fifty thousand rupees.	
6.	For every year commencing on or after April 1, 2013 for betting business carried out –			6 of 19 of 2013
	(i)	through Agents.	Two million rupees.	
	(ii)	by the use of live telecast facilities in carrying on the business.	Three hundred thousand rupees.	
	(iii)	Where live telecast facilities are not used in carrying on the business.	Twenty five thousand rupees.	
Part II				
The amount of the levy payable by a person carrying on the business of gaming for every year specified in Column I hereto, shall be equivalent to the amount specified in the corresponding entry in Column II hereto –				3 of 9 of 2005 6 of 19 of 2013
		Column I	Column II	
		<i>Year</i>	<i>Amount of Levy</i>	
1.		For every year commencing on or after April 1, 1988 but prior to April 1, 2001.	One million rupees.	
2.		For every year commencing on or after April 1, 2001, but prior to April 1, 2002.	Twenty five million rupees.	
3.		For every year commencing on or after April 1, 2002, but prior to April 1, 2005-		
	(i)	For carrying on the business of gaming (other than for playing rudjino).	Twelve million rupees.	
	(ii)	For carrying on the business of only playing rudjino.	Five hundred thousand rupees.	
4.	For carrying on the business of gaming including playing rudjino for every year commencing on or after April 1, 2005, but prior to April 1, 2013		Fifty million rupees.	
5.	For carrying on the business of gaming including playing rudjino for every year commencing on or after April 1, 2013.		One hundred million rupees.”	6 of 19 of 2013

