

ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය

අති විශේෂ

The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 1502/10 - 2007 ජූනි 20 වැනි බදාදා - 2007.06.20

No. 1502/10 - WEDNESDAY, JUNE 20, 2007

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

ECONOMIC SERVICE CHARGE ACT, No. 13 OF 2006

REGULATIONS made by the President under Section 12 of the Economic Service Charge Act, No. 13 of 2006 as amended by the Amendment Act, No. 15 of 2007, read with Article 44(2) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

MAHINDA RAJAPAKSA,
President.

Ministry of Finance and Planning,
Colombo,
18th June, 2007.

Regulations

01. The Regulations made in relation to Section 2 of the Economic Service Charge Act, No. 13 of 2006, and published in the *Gazette Extraordinary* No. 1447/10 dated May 30, 2006 are hereby rescinded, without prejudice, however, to anything previously done thereunder.

02.1. Any person or partnership engaged in any trade or business referred to in any paragraph of regulation 03 may, for any relevant quarter commencing on or after April 1, 2007, opt to :

- (i) ascertain the turnover for that quarter from that trade or business in accordance with that paragraph,
- (ii) disregard the provisions of subsection (2), (other than those of the proviso thereto) of Section 2 of the aforesaid Act, and
- (iii) compute the Economic Service Charge at the rate specified in item 12 of the Schedule to the aforesaid Act in respect of the turnover so ascertained.

02.2. Any person or partnership who or which has so opted shall be deemed, for all purposes, to have acted in compliance with the Schedule to the aforesaid Act.

03. The turnover for any relevant quarter ascertained of the trade or business of any freight forwarder, in accordance with paragraph (b) of subsection (3) of Section 2 of the aforesaid Act, shall be reduced by the sum payable in that quarter by such freight forwarder to any person on account of the carriage, by such person, of any cargo loaded into any ship or aircraft owned or chartered by such person.

04. The turnover for any quarter of the trade or business of -

- (i) export of cut and polished diamonds from raw diamonds imported and which is carried on by any person or partnership shall be the excess for that quarter of the FOB value of such exports over the CIF value of such raw diamonds.
- (ii) export of garments manufactured from materials imported on NFE basis, and which is carried on by any person or partnership, shall be the excess for that quarter of the FOB value of such exports over the CIF value of such materials.
- (iii) any primary dealer shall be the excess of proceeds of sale of securities held by such primary dealer over the aggregate of -
 - sum invested in that quarter in the purchase of securities ; and
 - the interest paid or the discount allowed by such primary dealer in relation to any repurchase transaction entered into in that quarter.

with due cognizance being taken of the deductions and the additions specified respectively in paragraph (a) and paragraph (b) of the definition of “turnover” in subsection (3) of Section 2 of the aforesaid Act.

05. In these Regulations -

- (i) “freight forwarder” means ; a person or a partnership who or which is registered with the Central Bank of Sri Lanka under the Exchange Control Act, as a freight forwarder and who -
 - issues multi-modal documents of carriage covered by a Freight Forwarders’ “All Risk and Legal Liability Insurance Policy” ; and
 - furnishes, together with the return of relevant turnover for any relevant quarter, copies of the statements, furnished to the controller or Exchange in respects of each month comprised in such relevant quarter of turnover prepared in the form specified in the Third Schedule, and net collections prepared in the form specified in the Forth, Fifth and Sixth Schedules to the Notification issued by the Controller of Exchange under Section 29B of the Exchange Control Act.
- (ii) “person” includes any person who has entered into an agreement with the BOI under Section 17 of the BOI Law No. 4 of 1978.
- (iii) “primary dealer” has the same meaning as in Section 217 of the Inland Revenue Act, No. 10 of 2006.
- (iv) “Security” means any -
 - (a) Security or Treasury Bond issued under the Registered Stocks and Securities Ordinance (Chapter 420);
 - (b) Treasury Bill issued under the Local Treasury Bills Ordinance ; (Chapter 417) ; or
 - (c) Central Bank Security issued under the Monetary Law Act (Chapter 422), under Section 134.