

PART IV

MAJOR LEGISLATIVE ENACTMENTS OF 1983 RELATING TO THE FUNCTIONS AND OPERATIONS OF THE CENTRAL BANK AND BANKING INSTITUTIONS IN SRI LANKA

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APPROPRIATION ACT, No. 15 OF 1983

(Certified on 20th April, 1983)

AN ACT TO PROVIDE FOR THE SERVICE OF THE FINANCIAL YEAR, 1983, TO AUTHORIZE THE RAISING OF LOANS IN OR OUTSIDE SRI LANKA FOR THE PURPOSE OF SUCH SERVICE, TO MAKE FINANCIAL PROVISION IN RESPECT OF CERTAIN ACTIVITIES OF THE GOVERNMENT DURING THAT FINANCIAL YEAR, TO ENABLE THE PAYMENT, BY WAY OF ADVANCES OUT OF THE CONSOLIDATED FUND OR ANY OTHER FUND OR MONEYS OF, OR AT THE DISPOSAL OF, THE GOVERNMENT, OF MONEYS REQUIRED DURING THAT FINANCIAL YEAR FOR EXPENDITURE ON SUCH ACTIVITIES, TO PROVIDE FOR THE REFUND OF SUCH MONEYS TO THE CONSOLIDATED FUND, AND TO MAKE PROVISION FOR MATTERS CONNECTED WITH, OR INCIDENTAL TO, THE AFORESAID MATTERS.

1. This Act may be cited as the Appropriation Act, No. 15 of 1983.

2. (1) Without prejudice to any other law authorizing any expenditure, the expenditure of the Government, which it is estimated will be rupees thirty-eight thousand five hundred and seventy-nine million eight hundred and forty-one thousand for the service of the period beginning on January 1, 1983, and ending on December 31, 1983, in this Act referred to as the "financial year 1983", shall be met—

- (a) from payments which are hereby authorized to be made out of the Consolidated Fund or any other fund or moneys of, or at the disposal of, the Government ; and
- (b) from the proceeds of loans which are hereby authorized to be raised, whether in or outside Sri Lanka, for and on behalf of the Government, so however, that the aggregate of such proceeds does not exceed rupees twenty-five thousand three hundred and seventy-eight million.

The sum of rupees thirty-eight thousand five hundred and seventy-nine million eight hundred and forty-one thousand herein before referred to may be expended as specified in the First Schedule to this Act.

(2) The provisions of subsection (1) of this section shall have effect without prejudice to the provisions of any other written law authorizing the raising of loans for and on behalf of the Government.

3. (1) The receipts of the Government during the financial year 1983, from each activity specified in column I of the Second Schedule to this Act shall be credited to the account of such activity, and the aggregate of receipts so credited shall be not less than the minimum limit specified in the corresponding entry in column III of that Schedule. The net surplus, if any, of such activity shall, after setting off against the revenue of such activity of the following charges namely :—

- (a) the working, establishment and other expenses of the activity whether paid or accrued properly chargeable to the revenue of the activity ; and

- (b) provision to cover the depreciation of the movable and immovable property of the activity,

be paid to the Consolidated Fund before the expiry of six months after the close of the financial year 1983.

(2) The expenditure incurred by the Government, during the financial year 1983, on each activity specified in column I of the Second Schedule to this Act shall be paid out of the receipts of the Government from such activity during that financial year, but such expenditure shall not exceed the maximum limit specified in the corresponding entry in column II of that Schedule.

(3) The debit balance, outstanding at the end of the financial year 1983, of any activity specified in column I of the Second Schedule to this Act shall not exceed the maximum limit specified in the corresponding entry in column IV of that Schedule, and the total liabilities of that activity at the end of that financial year shall not exceed the maximum limit specified in the corresponding entry in column V of that Schedule.

4. Whenever, at any time during the financial year 1983, the receipts of the Government from any activity specified in column I of the Second Schedule to this Act are insufficient to meet the expenditure incurred by the Government on such activity, the Minister may, from time to time, by Order direct that such sums as he may deem necessary to meet such expenditure shall be payable, by way of advances, out of the Consolidated Fund or any other fund or moneys of, or at the disposal of, the Government, so however, that the aggregate of the sums so advanced does not exceed the maximum limit of expenditure specified in the corresponding entry in column II of that Schedule. Any sums so advanced in respect of such activity shall be refunded to the Consolidated Fund in such manner as the Minister may by Order direct.

5. (1) Any moneys which, by virtue of the provisions of the First Schedule to this Act, have been allocated to Recurrent Expenditure under any Programme appearing under any Head specified in that Schedule, but have not been expended or are not likely to be expended, may be transferred to the allocation of Capital Expenditure within that Programme, or to the allocation of Recurrent Expenditure or Capital Expenditure under any other Programme within that Head by order of the Secretary to the Treasury or any other officer authorized by him.

(2) No moneys allocated to Capital Expenditure under any Programme appearing under any Head specified in the First Schedule to this Act shall be transferred out of that allocation.

6. Where the Minister is satisfied—

(1) that receipts from taxes and other sources will be less than the amounts anticipated to finance authorized expenditure ; or

- (2) that amounts originally appropriated for a particular purpose or purposes are no longer required,

he may, with the approval of the Government, withdraw in whole or in part any amounts previously released for expenditure under the authority of a warrant issued by him from the Consolidated Fund or from any other fund or moneys of, or at the disposal of, the Government.

7. The Minister with the approval of the Government, may, on or before May 31, 1984, by Order vary or alter any of the maximum limits specified in column II, column IV and column V or the minimum limits specified in column III of the Second Schedule to this Act. Any such Order shall, if so expressed therein, be deemed to have had effect from such date prior to the date of making of such Order as may be specified therein.

8. Parliament may, by resolution, amend the Second Schedule to this Act, by adding to the appropriate columns of that Schedule, any activity and all or any of the maximum limits or the minimum limit relating to such activity.

9. Notwithstanding anything in the resolution passed by Parliament on the second day of November, 1982, making financial provision for the service of the period commencing on January 1, 1983, and ending on the day immediately prior to the date of commencement of this Act—

- (a) any sums which have been expended during that period from moneys allocated by that resolution to any Programme appearing under any Head specified in the First Schedule to that resolution shall be deemed, for all purposes, not to have been expended under the authority of that resolution but to have been expended under the authority of this Act ;
- (b) any moneys so allocated which have not been expended on the day immediately prior to the date of commencement of this Act shall be deemed, for all purposes, to be included in the moneys allocated to the corresponding Programme appearing under the corresponding Head under this Act ; and
- (c) any sums paid, by way of advances, out of the Consolidated Fund, during the period commencing on January 1, 1983, and ending on the day immediately prior to the date of commencement of this Act, in respect of the services specified in the Second Schedule to that resolution shall be deemed, for all purposes, not to have been so advanced under the authority of that resolution, but to have been so advanced under the authority of this Act.

**GREATER COLOMBO ECONOMIC COMMISSION (AMENDMENT) ACT,
No. 21 OF 1983
(Certified on 23rd July, 1983)**

AN ACT TO AMEND THE GREATER COLOMBO ECONOMIC COMMISSION LAW, NO. 4 OF 1978

1. This Act may be cited as the Greater Colombo Economic Commission. (Amendment) Act, No. 21 of 1983.

2. Section 14 of the Greater Colombo Economic Commission Law, No. 4 of 1978, (hereinafter referred to as the "principal enactment") is hereby amended in subsection (1) of that section by the substitution for the words "such departments", of the words "such departments or agencies".

3. Section 20 of the principal enactment, as amended by Act No. 43 of 1980, is hereby further amended in subsection (1) of that section, as follows :—

(a) by the substitution for the expression "Schedule C", of the expression "Schedule C or Schedule D"; and

(b) by the substitution for the words "reference to the Commission,", of the following :—

"reference to the Commission :

Provided, however, that no by-law, regulation, order or notification shall be made or issued by the Commission under the National Environmental Act, No. 47 of 1980, or any power or function exercised or discharged by the Commission under that Act except in consultation with, and the concurrence of, the Central Environmental Authority established by that Act."

4. Section 28 of the principal enactment is hereby amended in subsection (2) of that section, by the substitution, for the words "five years", of the words "three years."

5. The principal enactment is hereby amended by the addition, immediately after Schedule C, of the following new Schedule which shall have effect as Schedule D to the principal enactment.

**TURNOVER TAX (AMENDMENT) ACT, No. 39 OF 1983
(Certified on 7th October, 1983)**

AN ACT TO AMEND THE TURNOVER TAX ACT, NO. 69 OF 1981.

1. This Act may be cited as the Turnover Tax (Amendment) Act, No. 39 of 1983.

2. Section 10 of the Turnover Tax Act, No. 69 of 1981 (hereinafter referred to as the "principal enactment") is hereby amended by the substitution for the words "shall be deemed to be a defaulter for the purposes of this Act.", of the following:—
"shall be deemed to be a defaulter for the purposes of this Act :

Provided, however, that where the turnover of any business for any previous quarter exceeds fifteen million rupees, the turnover tax payable for the succeeding quarter shall be paid in the following manner :—

- (a) one-third of the turnover tax payable for the previous quarter shall be paid not later than the fifteenth day of the second month in the succeeding quarter ;
- (b) one-third of the turnover tax payable for the previous quarter shall be paid on or before the fifteenth day of the third month in the succeeding quarter ;
- (c) the turnover tax payable for the succeeding quarter after deducting therefrom the amounts paid under paragraph (a) and paragraph (b), shall be paid not later than the fifteenth day of the month following the end of that quarter.

Any tax not so paid shall be deemed to be in default and the person by whom such tax is payable or where such tax is payable by more than one person, or by a partnership, then each of such persons and each partner in the partnership shall be deemed to be a defaulter for the purposes of this Act," .

3. Section 44 of the principal enactment is hereby amended by the substitution, for all the words commencing from " Notwithstanding anything " to the end of that section, of the following :—

"Notwithstanding anything in this section, the Commissioner-General may, having regard to the nature of different classes or descriptions of business, prescribe the form and manner in which transactions shall be recorded in any business of that class or description. Where the Commissioner General prescribes the form and manner in which transactions shall be recorded in a business, every person chargeable with turnover tax and carrying on that business shall record or cause to be recorded each and every transaction entered into by him in the course of that business in the prescribed form and manner. Such record shall be retained and preserved by the person by whom or on whose behalf such record was prepared for a period of five years after the expiry of the quarter in which it was prepared,".

4. Section 46 of the principal enactment is hereby amended in subsection (2) of that section—

- (1) by the substitution for the words " entered into by him in carrying on his business ", of the words, " entered into by him with another registered manufacturer in carrying on his business " ;
- (2) by the substitution for paragraphs (e) and (f) of that subsection of the following paragraphs :—

(e) the quantity of articles supplied and the amount of money received or receivable in respect of each transaction before any charge for the turnover tax ;

(f) the turnover tax attributable to each such transaction only at the point of sale ; and

(g) the amount of turnover tax paid to the Principal Collector of Customs as is attributable to the articles covered by such transaction where the transaction relates to an article imported by him and sold without subjecting it to any process ”.

5. Section 48 of the principal enactment is hereby amended by the substitution for the words “ but deducted from the tax payable for the subsequent quarter and so on ”, of the following :—

“ but deducted from the tax payable for the subsequent quarter and so on :

Provided that—

(a) no deduction shall be made for tax in respect of any plant, machinery, fixtures, buildings, vehicles or other capital assets used in that business ;

(b) no deduction shall be made in respect of articles used in any business which is exempt from turnover tax under section 4 or used in the manufacture of excepted articles ; and

(c) no person who imports any articles manufactured outside Sri Lanka and sells such article without subjecting it to any process or manufacture shall, notwithstanding anything in any other provisions of this Act, be deemed to be a manufacturer for the purposes of this section on or after February 19, 1983, ”.

6. Section 49 of the principal enactment is hereby amended as follows :—

(1) In subsection (3) of that section, by the substitution for the expression “ Subject to the provisions of subsection (6),”, of the expression “ Subject to the provisions of subsection (5) and subsection (6),” ;

(2) by the substitution, for subsection (4) of that section, of the following new subsection :—

“ (4) Subject to the provisions of subsection (5) and subsection (6) where the Commissioner-General is satisfied that the exporter is himself the manufacturer or producer of any article manufactured or produced in Sri Lanka, and

(i) that turnover tax has in fact been paid by the exporter to the Principal Collector of Customs in respect of such raw materials used by such exporter in the manufacture of the articles exported by him, or

(ii) that—

(a) the price paid by such exporter for the purchase of such raw materials as is attributable to the manufacture or production of such article was paid to the manufacturer or producer from whom such raw materials were purchased ; and

(b) the turnover tax has in fact been paid by the manufacturer or producer of such raw materials in respect of the turnover of his business as is attributable to such raw materials,

such amount of the turnover tax as is attributable to the raw materials used in the manufacture or production of such article shall be paid to such exporter by the Commissioner-General," ;

(3) by the substitution, for subsection (5) of that section, of the following subsection :—

“(5) The provisions of subsections (3) and (4) shall—

(a) not apply to an exporter for any period if the turnover tax paid is in respect of an article which has been *Gazetted* by the Chairman of the Export Development Board established under the Sri Lanka Export Development Act, No. 40 of 1979, as an article for which a rebate of turnover tax is claimable for that period ; and

(b) apply in relation to any container, receptacle or wrapper in which an article referred to in those subsections is exported in the same manner as if all reference to “ article ” in those provisions were references to such container, receptacle or wrapper as the case may be.”.

7. Section 50 of the principal enactment is hereby amended as follows :—

(1) in subsection (1) of that section, in the proviso thereto, by the substitution for the words “ five hundred thousand rupees ”, of the words “ one hundred thousand rupees ” ; and

(2) in subsection (4) of that section—

(a) by the substitution in paragraph (ii) of that subsection, for the expression “ specified in paragraph (i) ; or ”, of the expression “ specified in paragraph (i) ; ” ;

(b) by the substitution in paragraph (iii) of that subsection, for the expression “ specified in paragraph (i) or (ii) ”, of the expression “ specified in paragraph (i) or (ii) ; or ” ; and

(c) by the insertion, immediately after paragraph (iii) of that subsection of the following new paragraph :—

“(iv) any contract in relation to services of an entertainer or artiste or in relation to consultancy services,”.

8. (1) The amendments made to the principal enactment by section 5 and section 6 of this Act shall be deemed for all purposes to have come into operation on November 12, 1981.

(2) Where any tax becomes payable by virtue of the operation of subsection (1), such tax shall be paid within three months of the date of commencement of this Act. Any tax not so paid shall be deemed to be in default and the person by whom such tax is payable or where such tax is payable by more than one person, or by a partnership, then each such person and each partner in the partnership shall be deemed to be a defaulter for the purposes of this Act.

INLAND REVENUE (AMENDMENT) ACT, No. 43 OF 1983

(Certified on 19th October, 1983)

AN ACT TO AMEND THE INLAND REVENUE ACT, NO. 28 OF 1979.

1. This Act may be cited as the Inland Revenue (Amendment) Act, No. 43 of 1983.

2. Section 8 of the Inland Revenue Act, No. 28 of 1979, (hereinafter referred to as the “ principal enactment”) is hereby amended in paragraph (a) of that section by the addition, at the end of that paragraph, of the following sub-paragraphs :—

“(xLi) the Buddhist and Pali University of Sri Lanka and any Higher Educational Institution established by, or under, the Buddhist and Pali University of Sri Lanka Act, No. 74 of 1981 ;

(xLii) the Employees Trust Fund established by the Employees Trust Fund Act, No. 46 of 1980 ;

(xLiii) the International Irrigation Management Institute ; ”.

3. Section 9 of the principal enactment is hereby amended in subsection (1) of that section as follows :—

(1) by the substitution in paragraph (h) of that subsection, for the words “World Tourism Organization ;”, of the words “ World Tourism Organization, the International Irrigation Management Institute, or the Colombo Plan Bureau ;”; and

(2) by the repeal of paragraph (k) of that subsection, and the substitution of the following paragraph therefor :—

“ (k) the emoluments earned, or the pension arising, in any year of assessment, in foreign currency, by or to any individual resident in Sri Lanka in respect of—

(a) services rendered by him in that year of assessment ; or

(b) past services rendered by him or his spouse,

outside Sri Lanka in the course of any employment carried on, or exercised by him or his spouse, if such emoluments or pension are paid to him in Sri Lanka or such emoluments or pension (less such amount expended by such individual outside Sri Lanka as is considered by the Commissioner-General to be reasonable expenses) are remitted by him to Sri Lanka ; ”.

4. Section 15 of the principal enactment is hereby amended by the repeal of paragraph (k) of that section.

5. Section 20 of the principal enactment is hereby amended as follows :—

(1) by the substitution, for subsection (1) of that section, of the following subsection :—

“ (1) There shall be exempt from income tax—

(a) for a period of eight years reckoned from the date of incorporation of such company, in the case of a company incorporated on or after April 1, 1972, and approved by the Minister under section 7A of the Inland Revenue Act, No. 4 of 1963, prior to November 15, 1978 ;

(b) for a period of five years reckoned from the date on which the company made its first exports or from the date on which it commenced to provide services, for payment in foreign exchange, in the case of a company incorporated on or after April 1, 1972, for—

(i) the manufacture of any commodities, and approved by the Minister, by Order published in the *Gazette*, after November 15, 1978 ; or

(ii) the provision of any services, for payment in foreign currency, and approved by the Minister, by Order published in the *Gazette*, after November 15, 1978, but prior to March 31, 1983’

such part of the profits and income of that company as consists of the export profits and income of any such undertaking carried on by it as is approved by the Minister by notice published in the *Gazette* to be an undertaking to which this section shall apply :

Provided that this subsection shall not apply to any company in relation to an undertaking carried on by such company if—

- (i) it is an undertaking which was formed by the splitting up or reconstruction of any business, previously in existence, for the manufacture of commodities or the provision of services, for payment in foreign currency ;
 - (ii) any part of the export turnover of that undertaking arose in consequence of the amalgamation of the whole or a part of the trade or business of any other undertaking with the trade or business of that undertaking," ; and
- (2) in subsection (2) of that section, by the insertion immediately after paragraph (b) of that subsection, of the following paragraph :—

“(bb) “ manufacture ”, in relation to any year of assessment commencing on or after April 1, 1983, includes the growing of fruits, vegetables, flowers or foliage plants ; , ,

6. The following section is inserted immediately after section 22D, and shall have effect as section 22DD of the principal enactment :—

22DD. (1) The profits and income of any public company—

- (i) incorporated on or after April 1, 1983, with not less than ninety-five *per centum* of its capital contributed, in the form of money or otherwise, by the State, and any public corporation, or by any body corporate ; and
- (ii) the primary object of which is to purchase and deal in shares of other public companies incorporated in Sri Lanka,

shall, subject to the provisions of subsection (2), be exempt from income tax if such profits and income are retained by such company for a period of at least five years from the end of the year of assessment in which such profits and income are exempt from income tax.

- (2) The exemption referred to in subsection (1) shall cease, when the profits and income, exempt from income tax under that subsection and retained by any company amounts to a sum equal to twice the paid up capital of such company as at the thirty-first of March immediately following the date of incorporation of such company.

(3) If any part of the profits and income retained by any company in any year of assessment and exempt from income tax under this section are distributed to the shareholders of such company within a period of five years from the end of that year of assessment, income tax shall be payable by the company for that year of assessment on the profits and income so distributed and such tax shall be assessable, payable and recoverable, notwithstanding anything to the contrary in any other provision of this Act.”.

7. Section 29 of the principal enactment is hereby amended as follows :—

- (1) in subsection (3) of that section by the substitution, in paragraph (a) thereof, for the expression “ under section 16 of this Act ”, of the expression “ under section 16, or section 16A , or section 22A, or section 22B , or section 22C, or section 22D, or section 22DD, of this Act ” ; and
- (2) by the insertion, immediately after subsection (4) of that section, of the following subsection :—

‘(4A) In computing the assessable income of a person carrying on an undertaking referred to in section 16B or in paragraph (a) or paragraph (b) of subsection (1) of section 20, for the year of assessment in the course of which the exempt period ends, there shall be deducted the total of the losses incurred during the exempt period after deducting therefrom the aggregate of —

- (i) such profits and income of that undertaking as were exempt from income tax for any accounting period succeeding that in which such loss was incurred ; and
- (ii) such part of such losses incurred in that undertaking as were deducted from the total statutory income of that person under paragraph (b) of subsection (2).

In this subsection, “ exempt period ” in relation to an undertaking referred to in section 16B or paragraph (a) or paragraph (b) of subsection (1) of section 20, means the period during which the profits and income of that undertaking were exempt from income tax.’.

8. Section 31 of the principal enactment is hereby amended as follows :—

(1) in subsection (2) of that section—

(a) by the substitution, for paragraph (b) of that section, of the following paragraph :—

“ (b) a donation made in money or otherwise to—

(i) the Government of Sri Lanka ;

(ii) a local authority ;

(iii) any Higher Educational Institute established or deemed to be established under the Universities Act, No. 16 of 1978 ;

(iv) the Buddhist and Pali University or any Higher Educational Institution established by, or under the Buddhist and Pali University Act, No 74 of 1981 ;

(v) a fund established by the Government ;

(vi) a fund established by a local authority and approved by the Minister ;” ;

(b) by the omission, in paragraph (f) of that sub-section, of the words “ certified by the Commissioner for National Housing as having been ” ;

(c) by the insertion, immediately after paragraph (h) of that subsection, of the following paragraph :—

“ (hh) any premia paid by individual on a policy of insurance against riot or civil commotion, not being premia in respect of which an allowance has been granted under section 23 ;” ;

(d) by the substitution, for paragraph (m) of that sub-section, of the following paragraph :—

‘(m) any sum invested by any person in the purchase of ordinary shares, other than existing shares, in a company—

(i) approved by the Minister, prior to March 31, 1983, under section 16A or section 22D, or

(ii) engaged in any project approved by the Minister, prior to March 31, 1983, under section 22B,

being a company the capital of which exceeds five hundred million rupees.

For the purposes of this paragraph “ capital ” shall have the same meaning as in subsection (5) of section 18 :

(n) any amount certified by REPIA established under the Public Security Ordinance or by a government department performing functions similar to REPIA, as having been spent by a person on the repair or restoration of any immovable property, damaged or destroyed by riot or civil commotion after July 24, 1983, and before August 24, 1983, not being an amount obtained as a grant from REPIA or any government fund or the receipts of an insurance policy against damage or destruction by riot or civil commotion or in respect of which an allowance has been granted under section 23,;

(2) in subsection (3) of that section—

(a) by the substitution, for the words “ not more than four ”, of the words “ not more than fourteen ” ;

(b) by the substitution, for the words “ as exceed five ”, of the words “ as exceeds fifteen ” ;

(3) in subsection (5) of that section, by the substitution for the words “ (b), (c) and (m) of subsection (2), of the words “ (b), (c), (m) and (n) of subsection (2) ” ; and

(4) in subsection (6) of that section by the substitution for the words “ (b), (c) and (m) of subsection (2) ”, of the words “ (b) (c) , (m) and (n) of subsection (2) ”.

9. Section 42 of the principal enactment is hereby amended as follows :—

(a) by the re-lettering of paragraphs (w) and (x) of that section as paragraphs (y) and (z) respectively, of that section ; and

(b) by the insertion, immediately after paragraph (v) of that section, of the following paragraphs :—

“(w) the Employees Trust Fund established by the Employees Trust Fund Act, No. 46 of 1980 ;

(x) the International Irrigation Management Institute ;” .

10. Section 54 of the principal enactment is hereby amended in paragraph (e) of subsection (1) of that section by substitution, for the words and figures “Universities Act, No. 16 of 1978 ;”, of the words and figures “ Universities Act, No. 16 of 1978 or to the Buddhist and Pali University of Sri Lanka and any Higher Educational Institution established by or under the Buddhist and Pali University of Sri Lanka Act, No. 74 of 1981 ;”.

11. Section 56 of the principal enactment is hereby amended in subsection (1A) of that section by the substitution, for the expression " or its market value on April 1, of that year", of the expression " or its market value on the date of the gift,".

12. Section 115 of the principal enactment is hereby amended in subsection (5) of that section, by the substitution, for the second proviso to that subsection of the following new proviso :—

"Provided further that, where in the opinion of the Assessor, any fraud, evasion or wilful default has been committed by, or on behalf of, any person, in relation to any income tax, wealth tax or gifts tax payable by such person for any year of assessment, it shall be lawful for the Assessor to make an assessment or an additional assessment on such person at any time after the end of that year of assessment."

13. The amendment made in the principal enactment by subsection (2) of section 3 shall be deemed, for all purposes, to have come into force on April, 1, 1983.

14. REPIA established under the Public Security Ordinance shall, for the purposes of the application of the principal enactment, be deemed to be a government institution and its fund shall be deemed to be a fund established and maintained by the government.

REGISTERED STOCK AND SECURITIES (AMENDMENT) ACT, No. 51 OF 1983
(Certified on 14th December 1983)

AN ACT TO AMEND THE REGISTERED STOCK AND SECURITIES ORDINANCE.

1. This Act may be cited as the Registered Stock and Securities (Amendment) Act, No. 51 of 1983.

2. The Registered Stock and Securities Ordinance is hereby amended by the insertion, immediately after section 33, of the following new section which shall have effect as section 33A, of that Ordinance :—

33A. (1) Notwithstanding the provisions contained in this Ordinance or any other law or the terms of any Order published under section 4 of this Ordinance, the Minister may, in the interests of the national economy, declare by Order published in the *Gazette* that with effect from the date of such declaration, no contribution shall be made to the sinking fund in respect of any loan raised or to be raised under this Ordinance.

(2) Where a declaration is made under subsection (1), provision shall be made in the Appropriation Act for the redemption of such maturing loan."

APPROPRIATION ACT, No. 52 OF 1983

(Certified on 29th December, 1983)

AN ACT TO PROVIDE FOR THE SERVICE OF THE FINANCIAL YEAR, 1984, TO AUTHORIZE THE RAISING OF LOANS IN OR OUTSIDE SRI LANKA FOR THE PURPOSE OF SUCH SERVICE, TO MAKE FINANCIAL PROVISION IN RESPECT OF CERTAIN ACTIVITIES OF THE GOVERNMENT DURING THAT FINANCIAL YEAR, TO ENABLE THE PAYMENT, BY WAY OF ADVANCES OUT OF THE CONSOLIDATED FUND OR ANY OTHER FUND OR MONEYS OF, OR AT THE DISPOSAL OF, THE GOVERNMENT, OF MONEYS REQUIRED DURING THAT FINANCIAL YEAR FOR EXPENDITURE ON SUCH ACTIVITIES, TO PROVIDE FOR THE REFUND OF SUCH MONEYS TO THE CONSOLIDATED FUND, AND TO MAKE PROVISION FOR MATTERS CONNECTED WITH, OR INCIDENTAL TO, THE AFORESAID MATTERS,

1. This Act may be cited as the Appropriation Act, No. 52 of 1983.

2. (1) Without prejudice to any other law authorizing any expenditure, the expenditure of the Government, which it is estimated will be rupees forty thousand one hundred and sixty million seven hundred and sixty-six thousand for the service of the period beginning on January 1, 1984 and ending on December 31, 1984, in this Act referred to as the "financial year 1984", shall be met—

(a) from payments which are hereby authorized to be made out of the Consolidated Fund or any other fund or moneys of, or at the disposal of, the Government ; and

(b) from the proceeds of loans which are hereby authorized to be raised, whether in or outside Sri Lanka, for and on behalf of the Government, so however, that the aggregate of such proceeds does not exceed rupees nineteen thousand seven hundred and forty million.

The sum of rupees forty thousand one hundred and sixty million seven hundred and sixty-six thousand herein before referred to may be expended as specified in the First Schedule to this Act.

(2) The provisions of subsection (1) of this section shall have effect without prejudice to the provisions of any other written law authorizing the raising of loans for and on behalf of the Government.

3. (1) The receipts of the Government during the financial year 1984, from each activity specified in column I of the Second Schedule to this Act shall be credited to the account of such activity, and the aggregate of receipts so credited shall be not less than the minimum limit specified in the corresponding entry in column III of that Schedule. The net surplus, if any, of such activity shall, after setting off against the revenue of such activity of the following charges namely :—

(a) the working, establishment and other expenses of the activity whether paid or accrued properly chargeable to the revenue of the activity ; and

- (b) provision to cover the depreciation of the movable and immovable property of the activity,

be paid to the Consolidated Fund before the expiry of six months after the close of the financial year 1984.

(2) The expenditure incurred by the Government, during the financial year 1984, on each activity specified in column I of the Second Schedule to this Act shall be paid out of the receipts of the Government from such activity during that financial year, but such expenditure shall not exceed the maximum limit specified in the corresponding entry in column II of that Schedule.

(3) The debit balance, outstanding at the end of the financial year 1984, of any activity specified in column I of the Second Schedule to this Act shall not exceed the maximum limit specified in the corresponding entry in column IV of that Schedule, and the total liabilities of that activity at the end of that financial year shall not exceed the maximum limit specified in the corresponding entry in column V of that Schedule.

4. Whenever, at any time during the financial year 1984, the receipts of the Government from any activity specified in column I of the Second Schedule to this Act are insufficient to meet the expenditure incurred by the Government on such activity, the Minister may, from time to time, by Order direct that such sums as he may deem necessary to meet such expenditure shall be payable, by way of advances, out of the Consolidated Fund or any other fund or moneys of, or at the disposal of, the Government, so however, that the aggregate of the sums so advanced does not exceed the maximum limit of expenditure specified in the corresponding entry in column II of that Schedule. Any sums so advanced in respect of such activity shall be refunded to the Consolidated Fund in such manner as the Minister may by Order direct.

5. (1) Any moneys which, by virtue of the provisions of the First Schedule to this Act, have been allocated to Recurrent Expenditure under any Programme appearing under any Head specified in that Schedule, but have not been expended or are not likely to be expended, may be transferred to the allocation of Capital Expenditure within that Programme, or to the allocation of Recurrent Expenditure or Capital Expenditure under any other Programme within that Head by order of the Secretary to the Treasury or any other officer authorized by him.

(2) No moneys allocated to Capital Expenditure under any Programme appearing under any Head specified in the First Schedule to this Act shall be transferred out of that allocation.

6. Where the Minister is satisfied—

- (1) that receipts from taxes and other sources will be less than the amounts anticipated to finance authorized expenditure ; or
- (2) that amounts originally appropriated for a particular purpose or purposes are no longer required.

he may, with the approval of the Government, withdraw in whole or in part any amounts previously released for expenditure under the authority of a warrant issued by him from the Consolidated Fund or from any other fund or moneys of, or at the disposal of, the Government.

7. The Minister with the approval of the Government, may, on or before May 31, 1985, by Order vary or alter—

(a) any of the maximum limits specified in column II, Column IV and column V of the Second Schedule to this Act ;

(b) the minimum limits specified in column III of the Second Schedule to this Act.

Any such Order shall, if so expressed therein, be deemed to have had effect from such date prior to the date of making such Order as may be specified therein.

8. Parliament may, by resolution, amend the Second Schedule to this Act, by adding to the appropriate columns of that Schedule any activity and—

(a) all or any of the maximum limits relating to such activity ;

(b) the minimum limit relating to such activity.

REHABILITATION LEVY ACT, No. 53 OF 1983

(Certified on 29th December, 1983)

AN ACT TO PROVIDE FOR THE IMPOSITION OF A REHABILITATION LEVY ON SPECIFIED EMPLOYEES FOR THE CALENDAR YEAR COMMENCING ON JANUARY 1, 1984 ; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO

1. This Act may be cited as the Rehabilitation Levy Act, No. 53 of 1983.

2. There shall be charged on every specified employee, for every month of the calendar year commencing on January 1, 1984, a rehabilitation levy (hereinafter referred to as "the levy") at the rate of one *per centum* of the emoluments of such employee for that month.

3. The employer of every specified employee shall pay to the Commissioner-General of Inland Revenue the levy payable by such specified employee for any month on or before the fifteenth day of the month immediately succeeding the month for which such levy is due.

4. Every employer of a specified employee shall be entitled to deduct from the emoluments payable to such employee in any month in the calendar year commencing on January 1, 1984, the levy payable by such employee for that month.

5. Where the employer of a specified employee fails to pay to the Commissioner-General of Inland Revenue, in accordance with section 3, the levy payable for any month by such employee, the amount of such levy may be recovered from such employer. The provisions of sections 107, 108, 109 and 110 Chapter XXI of the Inland Revenue Act, No. 28 of 1979, shall, *mutatis mutandis*, apply to the assessment, payment and recovery of the levy, and the penalties for default of payment of the levy.

6. Where the employer of a specified employee pays the levy payable by such employee for any month but does not deduct the amount of such levy from the emoluments of such employee for that month, the amount of such levy—

(a) shall, for the purposes of ascertaining the profits and income of such employer under the Inland Revenue Act, No 28 of 1979, not be allowed as a deduction ; and

(b) shall, for the purposes of ascertaining the profits and income of such employee under that Act, not be treated as part of his profits and income.

7. (1) Every employer who has in his employment on the date of commencement of this Act a specified employee shall give notice to the Commissioner-General of Inland Revenue not later than January 15, 1984 that he has in his employment such employee.

(2) Where an employer commences to employ after the date of commencement of this Act, any specified employee he shall give notice to the Commissioner-General within one month of the commencement of such employment that he has in his employment such employee.

(3) Every employer who fails to comply with the requirement imposed on him by this section to give notice to the Commissioner-General shall be liable to pay, within one month of the date on which he is required to give such notice, a penalty of five thousand rupees. The provision of section 5 shall apply to the recovery of any penalty remaining unpaid as though such penalty were a levy payable under this Act.

8. In this Act, unless the context otherwise requires—

“Commissioner-General of Inland Revenue ” has the same meaning as in the Inland Revenue Act, No. 28 of 1979 ;

“ emoluments ” in relation to a specified employee, means such profits from any employment or past employment of that employee as are referred to in sub-paragraph (i) of paragraph (a) of section 4 of the Inland Revenue Act, No. 28 of 1979, but does not include any such allowance or emoluments as is or are, referred to in paragraph (j) or paragraph (k) of subsection (1) of section 9 of that Act ;

“ employer ” has the same meaning as in section 113 of the Inland Revenue Act, No. 28 of 1979 ;

“ specified employee ” means any person who is in receipt of profits from any employment or past employment within the meaning of section 4 of the Inland Revenue Act, No. 28 of 1979, and who is—

- (a) a person referred to in paragraph (a) or paragraph (b) of subsection (1) of section 9 of that Act ; or
- (b) a person in respect of whom a contribution is payable to the Employees' Provident Fund established by the Employees' Provident Fund Act, No. 15 of 1958 or to any such regulated provident fund or provident fund approved by the Commissioner-General of Inland Revenue as is referred to in section 31 of the Inland Revenue Act, No. 28 of 1979 ; or
- (c) a person in respect of whom a contribution is not payable to the Employees' Provident Fund by virtue of the proviso to subsection (1) of section 10 of the Employees' Provident Fund Act, No. 15 of 1958 ; or
- (d) a director of a company or a public corporation, or a working partner of a partnership,

but does not include any person who is not a citizen of Sri Lanka and whose profits from employment are exempt from income tax under paragraphs (c) to (h) or paragraph (kk) of subsection (1) of section 9 of the Inland Revenue Act, No. 28 of 1979, not being a person referred to in subsection (2) of section 9 of that Act.