

PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

TELECOMMUNICATION LEVY

ACT, No. 21 OF 2011

[Certified on 31st March, 2011]

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Telecommunication Levy 1

Act, No. 21 of 2011

[Certified on 31st March 2011]

L. D.—O. 8/2011.

AN ACT TO IMPOSE THE TELECOMUNICATION LEVY FROM PERSONS

RECEIVING ANY TELECOMMUNICATION SERVICE COMMENCING FROM

JANUARY 1, 2011 ; TO AMEND PART II OF THE FINANCE ACT, NO. 11

OF 2004 ; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH 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 Telecommunication Levy Short title and

Act, No. 21 of 2011 and shall be deemed for all purposes to date of

operation.

have come into operation with effect from January 1, 2011.

PART I

TELECOMMUNICATION LEVY

2. There shall be charged and levied from every person Imposition of

receiving any telecommunication service (hereinafter Telecommunica-

tion Levy.

referred to as “the recipient”) for the period commencing on

or after January 1, 2011, a levy called Telecommunication

Levy at the rate of 20 per centum on the value of the supply

of telecommunication services provided by the operator, on

the receipt of such telecommunication service in respect of

each month :

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.

3. The levy payable under section 2 shall be collected Mode of

by the operators licensed under section 17 of the Sri Lanka collection of

levy.

Telecommunication Act, No. 25 of 1991 and paid to the

Telecommunications Regulatory Commission of Sri Lanka

(hereinafter referred to as “the Commission”) established

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under the aforesaid Act, within fifteen days from the end of

each month commencing on or after January 1, 2011 along

with such details as may be specified by the Commission.

Commission to 4. The levy, collected by the Commission on behalf of

collect levy on

the Government in respect of each month in terms of section

behalf of the

Government. 3 shall be credited within seven days from the receipt of the

levy to the Consolidated Fund.

Secretary to the 5. The Secretary to the Treasury may, from time to time,

Treasury to issue issue guidelines in relation to the collection and remittance

guidelines.

of the levy on behalf of the Government.

Action in cases 6. (1) Any operator who fails to pay the total amount of

of failure to pay

the levy that is due on the value of supply of services

levy.

provided by such operator, as provided for in section 3, 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 to the Commission,

in addition to the levy in default, a surcharge calculated,—

(a) at the rate of ten per centum 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 3 ; 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, 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.

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(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 names 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

instituted 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.

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PART II

AMENDMENT OF PART II OF THE FINANCE ACT, NO. 11 OF 2004

Amendment of 7. Part II of the Finance Act, No.11 of 2004 is hereby

Part II of the amended as in subsection (2) of section 14 thereof, by the

Finance Act, No.

11 of 2004. substitution for the words “for the period ending on February

29, 2008” of the words “for the period commencing on

February 29, 2008 and ending on December 31, 2010.”.

Part II of the 8. It is hereby declared for the avoidance of doubts that

Finance Act, No.

the provisions of Part II of the Finance Act No.11 of 2004

11 of 2004 not

to apply. shall not apply to any person to whom the provisions of that

Part applied prior to January 1, 2011.

PART III

GENERAL

9. (1) The Minister may make regulations in respect of

Regulations.

all matters in respect of which regulations are required or

authorized to be made or in respect of matters which are

required to be prescribed by this Act.

(2) Every regulation made by the Minister shall be

published in the Gazette and shall come into operation on

the date of such publication or on such later date as may be

specified in the regulation.

(3) Every regulation made by the Minister, shall, as soon

as convenient after its publication in the Gazette, be brought

before Parliament for approval. Any regulation which is not

so approved shall deemed to be rescinded as from the date of

disapproval but without prejudice to anything previously

done there under.

(4) Notification of the date on which any regulation is

deemed under subsection (3) to be rescinded shall be

published in the Gazette.

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10. The amount of the levy charged and collected by Indemnity.

any operator from any recepient, during the period

commencing from January 1, 2011 and ending on the date

of the coming into operation of this Act, shall be deemed to

have been validly charged and levied and such operator is

hereby indemnified from any action civil or criminal, in

respect of the collection of such levy.

11. In the event of any inconsistency between the Sinhala text to

Sinhala and Tamil texts of this Act, the Sinhala text shall prevail in case

of inconsistency.

prevail.

12. For the purposes of Part I of this Act- Interpretation.

“value of supply” means the gross value of service after

deducting the levy chargeable under the provisions

of this Act ;

“telecommunication service” means the services provided

to end subscribers by telecommunication and other

operators licensed under section 17 of the Sri Lanka

Telecommunication Act, No. 25 of 1991 but shall not

include interconnection services and access services

provided between local operators, international

settlements between local operators and overseas

telecommunication settlements between local

operators and overseas telecommunication service

providers and international telecommunication

services covered under subsection (1) of section 21 of

Part III of the Finance Act, No.11 of 2004;

“interconnection service” means interconnection services

set out in Interconnection Rules 2003 made under

section 68 of the Sri Lanka Telecommunication

Act, No. 25 of 1991;

“access services” include domestic or international leased

line services, backhaul services and passive

infrastructure services;

“operator” means an operator licensed under section 17

of the Sri Lanka Telecommunication Act, No. 25 of

1991.

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