



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**NATIONAL SECURITY LEVY  
(AMENDMENT)  
ACT, No. 4 OF 2001**

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[Certified on 11th April, 2001]

*Printed on the Order of Government*

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*National Security Levy (Amendment)  
Act, No. 4 of 2001*

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L.D.—O. 11/2001.

AN ACT TO AMEND THE NATIONAL SECURITY LEVY ACT, NO. 52  
OF 1991; 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 National Security Levy (Amendment) Act, No. 4 of 2001. Short title.

2. Section 3 of the National Security Levy Act, No.52 of 1991, (hereinafter referred to as “the principal enactment”) as last amended by Act No. 24 of 2000 is hereby further amended in subsection (2) of that section as follows :— Amendment of section 3 of Act No. 52 of 1991.

(1) by the repeal of paragraphs (ff) and (fff) of that subsection, and the substitution, of the following paragraph therefor :—

(ff) the value of any ship or aircraft which is imported into Sri Lanka, if it is proved to the satisfaction of the Commissioner-General of Inland Revenue that such ship or aircraft is being used for international transportation of goods or passengers ;

(2) in item A of paragraph (j) of that subsection—

(a) by the repeal of sub-paragraph (viii) thereof, and the substitution therefor of the following sub-paragraph :—

“(viii) services of a construction contractor or sub-contractor for the construction of any building, road, bridge, water supply, drainage or sewerage system, harbour, airport or any infrastructure project in telecommunications or electricity, not being—

(a) services for the supply of any material, plant, machinery or equipment; or

(b) professional or consultancy services,

for the purposes of, or in connection with, such construction;” ;

(b) by the substitution, in sub-paragraph (xi) thereof, for the words and figures “No. 10 of 1972 or courier” of the words and figures “No. 10 of 1972, airline agent licensed under regulations made under the Air Navigation (Special Provisions) Act, No. 55 of 1992 or courier” ;

(c) by the insertion immediately after sub-paragraph (xi) thereof, of the following new sub-paragraphs :—

“(xia) services of a port operator or port container terminal operator, provided at any port ;

(xib) services of a computer software developer in respect of software developed by such person for use wholly outside Sri Lanka and for which payment is received in foreign currency through a bank ;

(xic) services provided over the internet, using custom built software, by an enterprise set up on or after April 1, 2001, exclusively for the provision of such services being services enabling or facilitating the sale of goods, or for the provision of services, by a person in Sri Lanka to persons outside Sri Lanka, for payment in foreign currency ;

(xid) client support services provided over the internet or telephone, by an enterprise set up on or after April 1, 2001, exclusively for the provision of such services, to one or more identified clients outside Sri Lanka, for payment in foreign currency ;” ;

(d) by the addition immediately after paragraph (k) thereof, of the following new paragraph :-

(l) the value of any aviation fuel imported for the use of any aircraft.

3. Section 4 of the principal enactment as last amended by Act No. 24 of 2000 is hereby further amended as follows :-

Amendment of section 4 of the principal enactment.

(1) in paragraph (k) of that section, by the substitution for the words and figures “for every quarter commencing on or after July 1, 2000”, of the words and figures “for every quarter commencing on or after July 1, 2000 but prior to April 1, 2001” ; and

(2) by the addition at the end of that section, of the following new paragraph :-

“(l) for every quarter commencing on or after April 1, 2001-

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- (i) an amount equivalent to—
- (A) seven and one half *per centum* of the turnover of that person, not being turnover referred to in item (B) of this sub-paragraph ; and
  - (B) one half *per centum* of the turnover of that person arising from the import or manufacture of any plant, machinery or equipment, not being any motor car, motor coach or lorry, within the meaning of the Motor Traffic Act (Chapter 203),

for the first month of that quarter, on or before the fifteenth day of the second month of that quarter ;

- (ii) an amount equivalent to—
- (A) seven and one half *per centum* of the turnover of that person, not being turnover referred to in item (B) of this sub-paragraph ; and
  - (B) one half *per centum* of the turnover of that person, arising from the import or manufacture of any plant, machinery or equipment, not being any motor car, motor coach or lorry, within the meaning of the Motor Traffic Act (Chapter 203),

for the second month of that quarter, on or before the fifteenth day of the third month of that quarter ; and

- (iii) the amount of the levy payable by such person for that quarter, reduced by the aggregate of the amounts paid by him

in accordance with the provisions of sub-paragraph (i) and sub-paragraph (ii) of this paragraph, on or before the fifteenth day of the month immediately succeeding that quarter.”.

4. The Schedule to the principal enactment as last amended by Act No. 24 of 2000 is hereby further amended as follows :-

Amendment of the Schedule to the principal enactment.

- (1) in item 11 of that Schedule, by the substitution for the words and figures “on or after July 1, 2000”, of the words and figures “on or after July 1, 2000 but prior to April 1, 2001”. and
- (2) by the addition at the end of that Schedule, of the following item :-

“(12) For every quarter commencing on or after April 1, 2001—

- (i) on turnover other than turnover referred to in paragraph (ii) of this item

*7.5 per centum*

- (ii) on turnover arising from the import or manufacture of any plant, machinery or equipment, not being a motor car, motor coach or lorry within the meaning of the Motor Traffic Act (Chapter 203)

*0.5 per centum.”.*

5. Where the Director-General of Customs collects during the period commencing on April 1, 2001, from an importer of an article not being plant, machinery or equipment, an amount in excess of six and one half *per centum* but not exceeding seven and one half *per centum* of the value of such article, such collection shall be deemed for all purposes to

Validation.

have been, and to be, validly made, and the Director-General of Customs is hereby indemnified against all actions, civil or criminal, in respect of such collection.

Transitional provisions.

6. (1) Where a person to whom this Act applies is required by section 4 of the principal enactment as amended by sections 3 and 4 of this Act, to pay any amount to the Commissioner-General, in respect of any month or quarter, prior to the date on which this Act is certified as an Act of Parliament, such person shall be deemed for all purposes to have complied with the requirements of those sections, if he pays that amount to the Commissioner-General, within thirty days of the date on which this Act is certified as an Act of Parliament. Where such amount is not so paid, such amount shall be deemed to be in default after the expiration of thirty days from the date on which this Act is certified as an Act of Parliament and such person shall be deemed to be a defaulter with effect from that date.

(2) Where a person to whom this Act applies is required by section 4 of the principal enactment as amended by sections 3 and 4 of this Act, to pay to the Commissioner-General in respect of the period commencing on April 1, 2001 and ending on the date on which this Act is certified as an Act of Parliament an amount in excess of six and one half *per centum* of the turnover of that person for that period, such person shall be deemed for all purposes, to have complied with the requirements of that section, if he pays to the Commissioner-General, within thirty days of the date on which this Act is certified as an Act of Parliament the difference between the amount he was required by section 4 of the principal enactment as amended by sections 3 and 4 of this Act, to pay for that period, and the amount paid by him for that period, as the case may be. Where the difference is not so paid, such difference shall be deemed to be in default after the expiration of thirty days from the date on which this Act is certified as an Act of Parliament and such person shall be deemed to be a defaulter within the meaning of the principal enactment, with effect from that date.

7. The amendment made to section 3 of the principal enactment by section 2 of this Act, shall—

Retrospective effect.

- (a) in so far as the amendment relates to the repeal of paragraphs (ff) and (fff) of subsection (2) of that section, be deemed for all purposes to have come into force on April 1, 2001 ;
- (b) in so far as the amendment relates to sub-contractors be deemed, for all purposes, to have come into force on January 1, 2001 ;
- (c) in so far as the amendment relates to port operators and port container terminal operators, be deemed, for all purposes, to have come into force on February 15, 2000;
- (d) in so far as the amendment relates to computer software developers, be deemed for all purposes to have come into force on March 8, 2001 ;
- (e) in so far as the amendment relates to the import of ships or aircrafts, be deemed for all purposes, to have come into force on January 1, 1999 ; and
- (f) in so far as the amendment relates to the import of aviation fuel, be deemed, for all purposes, to have come into force on April 1, 2001.

8. 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.



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