



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

**TURNOVER TAX (AMENDMENT)
ACT, No. 6 OF 1988**

[Certified on 24th March, 1988]

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Turnover Tax (Amendment) Act, No. 6 of 1988

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L.D.—O. 65/87

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

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Turnover Tax (Amendment) Act, No. 6 of 1988.

Short
title.

2. Section 49 of the Turnover Tax Act, No. 69 of 1981 (hereinafter referred to as the "principal enactment") is hereby amended as follows:—

Amendment
of section
49 of Act,
No. 69 of
1981.

(1) by the insertion, immediately after subsection (4) of that section, of the following subsection:—

' (4A) Subject to the provisions of subsection (5) and subsection (6), where the Commissioner-General is satisfied that any person carrying on the business of manufacturing or producing articles (hereafter in this section referred to as "supplier") supplies such articles to any exporter and that such supply is covered by a letter of credit opened in a bank in Sri Lanka on a back to back basis against an International Letter of Credit for remittance to Sri Lanka, of the foreign exchange value of the exports related to such supply, and—

(i) that the turnover tax has in fact been paid by such supplier to the Principal Collector of Customs in respect of the raw materials used by such supplier in the manufacture or production of the articles so supplied; or

(ii) that—

(a) the price paid by such supplier for the purchase of such raw materials as is attributable to the manufacture or production of such articles 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 paid by the supplier as is attributable to the raw materials used in the manufacture or production of such articles shall be paid to such supplier by the Commissioner-General.';

(2) in subsection (5) of that section by the substitution for the expression "subsections (3) and (4) shall", of the expression "subsections (3), (4) and (4A) shall"; and

(3) by the repeal of subsection (6) and the substitution therefor of the following subsection:—

"(6) No payment under subsection (3), subsection (4) or subsection (4A) shall be made by the Commissioner-General in respect of any article or any article and container, receptacle or wrapper in which such article is exported or supplied unless a claim in writing for such payment is made by the exporter or supplier of such article not earlier than three months, and not later than nine months, after the export or supply of such article."

Retrospec-
tive
effect.

3. The amendments made to the principal enactment by section 2 of this Act shall for all purposes be deemed to have come into force on January 1, 1988.