

## BETTING AND GAMING LEVY

AN ACT TO PROVIDE FOR THE IMPOSITION OF AN ANNUAL LEVY ON PERSONS CARRYING ON THE BUSINESS OF BOOKMAKER OR GAMING; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

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

Act Nos,

7 of 2001  
11 of 2002  
23 of 2003  
9 of 2005  
12 of 2005  
14 of 2006  
19 of 2013  
14 of 2015  
11 of 2023

short title.

1. This Act may be cited as the Betting and Gaming Levy Act, No- 40 of 1988.

Imposition of the  
levy.

[2, 11 of 2023]  
[2, 14 of 2015]  
[2, 19 of 2013]  
[2, 7 of 2001]

2. (1) Subject to the other provisions of this Act, and notwithstanding any other law, there shall be charged and levied for the year commencing on April 1, 1988, and in respect of every year thereafter, on every person who carries on in Sri Lanka, whether lawfully or unlawfully, during that year (for whatever period)
- (a) the business of a bookmaker; or
- (b) the business of gaming, a levy (hereinafter referred to as the 'levy') equivalent to the respective amounts set out in the Schedule to this Act:

Provided however, that where any person commences to carry on

any such business as is referred to in paragraph (a) or (b) on or after October 1 of any year, he shall be liable to pay half the levy payable by him under this Act, for that year.

(1A) Every person who is liable to pay the levy under subsection (1) shall, in addition to the payment of such levy, be charged a levy-

(a) for any year commencing on or after January 1, 2013 but prior to January 1, 2015, at the rate of five per centum;

(b) for any year commencing on or after January 1, 2015 but ending prior to April 1, 2023 at the rate of ten per centum; or

(c) for any year commencing on or after April 1, 2023, at the rate of fifteen per centum,

on the gross collection (hereinafter referred to as the 'gross collection levy') of the businesses referred to in paragraphs (a) or (b) of subsection (1) carried on by him in respect of each month:

Provided however, the person who is liable to pay the levy under this subsection, shall not be liable to pay the Value Added Tax under the Value Added Tax Act, No. 14 of 2002, the Nation Building Tax under the Nation Building Tax Act, No. 9 of 2009 or the Social Security Contribution Levy under the Social Security Contribution Levy Act, No. 25 of 2022, on such collection:

Provided further, that any person whose gross collection in respect of the businesses referred to in paragraphs (a) or (b) of subsection (1) does not exceed one million rupees per month, such person shall not be liable to pay the levy required to be paid under this subsection.

(1AA) Every person who carries on the business of gaming shall collect a levy (hereinafter referred to as the 'casino entrance levy') and pay such levy to the Commissioner General in accordance with the provisions of paragraph (b) of subsection (1B) of this section for each relevant instalment specified under section 4 as follows, for any period:-

(a) commencing on or after January 1, 2015 but ending prior to April 1, 2023 a casino entrance levy of United States Dollars one hundred or its equivalent in any other convertible foreign currency or in Sri Lanka currency from any person who enters such place of business of gaming; and

(b) commencing on or after April 1, 2023 a casino entrance

levy of United States Dollars fifty or its equivalent in any other convertible foreign currency or in Sri Lanka currency from any person who is a citizen of Sri Lanka who enters such place of business of gaming:

Provided however, the provisions of subsection (1AA), shall not apply to-

(a) the managing director or any member of the Board of Management or any employee of such place of business of gaming;

(b) any officer authorized in that behalf to enter such place of business in the exercise, performance and discharge of his duties under any written law; or

(c) any person prescribed under this Act.

(1B) Every person who is liable to pay the gross collection levy under subsection (1A) and every person who is liable to collect and pay the casino entrance levy under subsection (1AA), shall-

(a) on or before the twentieth day of the month following the end of the relevant quarter, furnish to the Commissioner General either in writing or by electronic means a return in such form and containing such particulars as may be specified by the Commissioner General, of the gross collection of such person; and

(b) pay to the Commissioner-General the levies charged and collected under subsection (1A) and subsection (1AA) of section 2, in respect of each month on or before the end of the first week of the month immediately succeeding that month.

(1C)

(a) Where any person who is liable to pay the levies referred to in subsections (1) and (1A) and collect and pay the casino entrance levy referred to in subsection (1AA), fails to collect and pay such levies charged, the provisions of subsections (2), (3), (4), (5), (5A) and (6) of section 4, as applicable, shall apply in respect of such failure; and

(b) The manner and the procedure relating to the collection and payment of the levy under subsection (1AA) may be prescribed by the Minister.

(1D) For the purposes of this section-

(a) 'gross collection' means the total amount recovered from the business of bookmaker or business of gaming in respect of that month;

(b) 'relevant quarter' means the period of three months commencing on the first day of January, first day of April, first day of July or first day of October of any year.

(2) Nothing in the preceding provisions of this section shall be construed as conferring legality on any business referred to in this section if such business is prohibited by law.

Registration of betting or gaming business.

[3, 11 of 2023]

[3, 14 of 2015]

[2, 19 of 2013]

**2A.** (1) Every person, who, on or after January 1, 2013, but prior to May 31, 2013, carries on the business of a bookmaker or gaming referred to in subsection (1) of section 2, shall register with the Department of Inland Revenue.

(1A) Every person who carries on the business of gaming referred to in subsection (1) of section 2 shall be entitled to obtain a license issued under section 2 of the Casino Business (Regulations) Act, No. 17 of 2010 and shall register with the Department of Inland Revenue within one month from the date of issuance of such license:

Provided however, any person who has obtained such license under section 2 of the Casino Business (Regulations) Act, No. 17 of 2010 for the business of gaming and has not registered with the Department of Inland Revenue before the date of operation of this Act, shall register with the Department of Inland Revenue within one month from such date of operation:

Provided further, for the purpose of this section the business of gaming shall involve providing gaming opportunities at a casino.

(1B) Every person who carries on the business of bookmaker referred to in subsection (1) of section 2 shall register with the Department of Inland Revenue within one month from the date of commencement of the business:

Provided however, any person who has commenced the business of bookmaker before the operation of this Act and has not registered with the Department of Inland Revenue shall register with the Department of Inland Revenue within one month from such date of operation.

(2) The Commissioner General shall issue a certificate of registration containing the name, address, registration number and any other particulars as may be determined by him to every person registered under subsections (1), (1A) and (1B).

(3) Every person who acts in contravention of the provisions of subsections (1), (1A) and (1B), shall commit an offence and shall, on conviction after summary trial by a Magistrate, be liable to a fine not exceeding ten million rupees or to imprisonment of either description for a term not exceeding six months or to both such fine and imprisonment.

Business in each place a separate business.  
[2, 11 of 2002]

3. Where any business, as is referred to in subsection (1) of section 2, is carried on in different places by the same person he shall be deemed to carry on a separate business in each such place and shall be liable to pay the levy in respect of each such business.

Payment of the levy.  
[4, 11 of 2023]  
[4, 14 of 2015]  
[3, 11 of 2002]  
[3, 7 of 2001]

4.(1) A person liable to pay the levy under this Act for any year commencing prior to April 1, 2002 shall pay such levy, to the Commissioner-General in four equal instalments, on or before the fifteenth day respectively of July, October and January in that year and the fifteenth day of April of the succeeding year:

Provided however, that a person who commences to carry on any such business as is referred to in section 2, after the first day of April in any year, shall pay the levy is liable to pay under this Act for that year in such number of instalments, and on such dates, as the Commissioner-General may consider reasonable having regard to all the circumstances of the case;

Provided further that a person who is liable to pay an installment of the levy on or before the fifteenth day of July, 1988, or on or before the fifteenth day of October, 1988, shall be deemed not to be in default in the payment of such installment, if he pays such installment within sixty days of the date of commencement of this Act, and where he fails to pay such installment within the aforesaid sixty days, such installment shall be deemed to be in default and the provisions of this Act relating to the recovery of an installment of the levy shall apply to the recovery of such installment.

(1A) A person liable to pay the levy under this Act for any year

commencing on or after April 1, 2002 shall pay the levy to the Commissioner-General in four equal installments on or before the first day respectively, of April, July, October and January of that year. For the purposes of payment of the levy the Commissioner-General may issue an identification number to the person liable to pay the levy:

Provided however, that the levy payable by any person for the year of assessment commencing on April 1, 2002, shall be paid by him in three equal installments on or before the first day respectively, of July, October and January of the year:

Provided further that, a person who commences to carry on any such business as is referred to in section 2 after the first day of April of any such year shall pay the levy he is liable to pay under this Act for that year in such number of installments not exceeding four, and on such dates as the Commissioner - General may consider reasonable, having regard to all the circumstances of the case.

(2) Where any person who is liable to pay the levies referred to in subsections (1), (1A) and collect and pay the casino entrance levy referred to in subsection (1AA) of section 2, fails to pay-

(a) the levy on gross collection or part thereof referred to in subsection (1A) of that section, assessed by an Assistant Commissioner for any period, required to be paid on or before the date specified in the notice of assessment; or

(b) any instalment of the levy or part thereof or the levy on gross collection or part thereof or to collect and pay the casino entrance levy, referred to in subsections (1), (1A) and (1AA) respectively on or before the dates specified in this Act,

such levy, instalment of the levy or part thereof specified under paragraph (a) or (b) shall be in default and such person who is liable to collect and pay such levies shall be a defaulter for the purposes of this Act.

(3) Where any instalment of the levy or part thereof or the gross collection levy or part thereof or the casino entrance levy, respectively referred to in subsections (1), (1A) and (1AA) of the section 2 is in default and -

(a) the default is in respect of an instalment of the levy under subsection (1) of section 2 payable in any year commencing on or

after April 1, 1988 but prior to April 1, 2001, the defaulter shall, in addition to the instalment in default, pay as penalty

(i) a sum equivalent to ten per centum of the instalment in default; and

(ii) where the instalment in default is not paid before the fifteenth day of the month succeeding the month in which such instalment had begun to be in default, a further sum equivalent to two per centum of the instalment in default in respect of each period ending on the fifteenth day of each succeeding month or part of such period, during which it is in default:

provided however, that the total amount payable as penalty under this paragraph shall, in no case exceed fifty per centum of the instalment in default; and

(b) the default is in respect of an instalment of the levy under subsection (1) of section 2 payable in any year commencing on or after April 1, 2001, the defaulter shall in addition to the instalment in default, pay as penalty, a further sum equivalent to thirty three and one third per centum of the instalment in default, in respect of each period ending on the fifteenth day of each month, succeeding the month in which the instalment had begun to be in default or part of such period during which the instalment is in default:

Provided however, that the total amount payable as penalty under this paragraph, shall in no case exceed one hundred per centum of the instalment in default.

(c) the default is in respect of levies payable under subsections (1A) and (1AA) of section 2, the defaulter shall in addition to the levy in default, pay-

(i) a penalty of a sum equivalent to ten per centum of such levy; and

(ii) a further penalty of a sum equivalent to ten per centum of the levy in default in respect of each further period of thirty days or part thereof, during which it remains in default where such levy is not paid before the expiry of thirty days, from the time it begins to be default:

Provided that, the total amount payable as a penalty under this paragraph shall in no case exceed fifty per centum of the levy in default.

(3A) The Commissioner-General may reduce or waive any penalty payable under subsection (3), if the Commissioner-General is satisfied that by reason of any special circumstances in which the default occurred, a reduction or waiver of such penalty would be just and equitable.

(4) Any instalment of the levy or part thereof or the levy on gross collection or part thereof or the casino entrance levy, respectively referred to in subsections (1), (1A) and (1AA) of section 2, as the case may be, is in default together with such penalty as is referred to in subsection (3) of this section may be recovered from the person who is the defaulter.

(5) The provisions of Chapters XI and XII and sections 40, 41, 42, 43 and 57 of the Turnover Tax Act, shall, mutatis mutandis, apply to the payment and recovery of any installment of the levy payable under subsection (1) of section 2 of this Act.

(5A) In addition to the provisions of subsection (5), the provisions of Chapter IX, X, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX and XX of the Inland Revenue Act, No. 24 of 2017, for the relevant year of assessment commencing on or after April 1, 2018, relating respectively to Administration Provisions, Record Keeping and Information Collection, Tax Returns, Assessments, Objection and Appeals, Liability for and Payment of Tax, Interest, Recovery of Tax, Penalties, Criminal Proceedings, Regulations and Interpretation shall mutatis mutandis apply respectively to administration provisions, record keeping, and information collection, tax returns assessments, objection and appeals, liability for and payment of tax, interest, recovery of tax, penalties, criminal proceedings, regulations and interpretations under this Act.

(6) Repealed by [4, 11 of 2023]

Offences.

[5, 11 of 2023]

[5, 14 of 2015]

[4, 7 of 2001]

5. (1) Every person who-

(a) fails to comply with any requirement imposed on him under section 38 of the Turnover Tax Act read with section 4(5) of this Act:

(b) wilfully furnishes any false information affecting his liability to the levy or the liability of any other person to the



levy;

(c) wilfully resists or obstructs the Commissioner-General or an officer of the Inland Revenue Department in the exercise of the powers conferred on the Commissioner-General or such officer by or under section 42 or section 43 of the Turnover Tax Act, read with section 4 (5) of this Act;

(d) who being a person required to take an oath under section 57 of the Turnover Tax Act read with section 4(5) of this Act, acts under this Act without taking such oath; or

(e) acts in contravention of section 57 of the Turnover Tax Act read with section 4 (5) of this Act, shall be guilty of an offence under this Act and shall, on conviction after summary trial by a Magistrate, be liable to a fine not less than twenty five thousand rupees and not exceeding one hundred thousand rupees or to imprisonment of either description for a term not exceeding one year, or to both such fine and imprisonment.

(2) The Commissioner-General may compound any offence under subsection (1) if he is satisfied that by reason of any special circumstances in which the offence was committed, compounding of the offence would be just and equitable.

(3) No prosecution in respect of an offence under sub section (1) shall be instituted in any court except with the sanction of the Commissioner-General.

Administration.  
[6, 14 of 2015]

6. (1) The Commissioner-General shall be in charge of the administration of this Act.
- (2) The Commissioner-General may delegate in writing, to any Commissioner, Senior Deputy Commissioner, Deputy Commissioner or Assistant Commissioner any power or function conferred on, or assigned to, him by this Act.
- (3) Every Commissioner, Senior Deputy Commissioner, Deputy Commissioner or Assistant Commissioner to whom any power or function has been delegated under subsection (2) shall exercise or discharge that power, subject to the directions of the Commissioner-General.
- (4) A Commissioner, Senior Deputy Commissioner, Deputy Commissioner or Assistant Commissioner exercising or

discharging any power or function of the Commissioner-General under this Act shall be deemed for all purposes to be authorized to exercise or discharge that power or function, until the contrary is proved.

Regulations.  
[7, 14 of 2015]

- 6A.** (1) The Minister may make regulations in respect of any matter which is required or authorized by this Act to be prescribed.
- (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 be deemed to be rescinded as from the date of disapproval but without prejudice to anything previously done thereunder.
- (4) Notification of the date on which any regulation is deemed to be rescinded under subsection (3) shall be published in the Gazette.

Interpretation.  
[6, 11 of 2023]  
[8, 14 of 2015]  
[4, 19 of 2013]  
[2, 23 of 2003]

**7.** In this Act, unless the context otherwise requires 'bookmaker'

(a) directly or indirectly;

(b) in cash or on credit; or

(c) via internet,

on horse races which are run or are proposed to be run or any sport event to be held or proposed to be held in Sri Lanka or outside Sri Lanka;

'business' means any business referred to in paragraph (a) or paragraph (b) of section 2 and includes a like vocation or, entering into transactions of a like nature among members of a club;

'casino' shall have the same meaning assigned to such expression under the Casino Business (Regulations) Act, No. 17 of 2010;

'citizen of Sri Lanka' means a person who possesses the status of a citizenship of Sri Lanka under the Citizenship Act (Chapter 349);

'Commissioner-General'  
'Deputy Commissioner'

shall have the same meanings assigned to such and expressions by section 59 of the Turnover Tax Act;

'gaming'

means the playing of any game for a stake, and includes the playing of baccarat, pun to banc, big six, black jack, blue, chemin de fer, chuck-a-luck, crown and anchor, faro, faro bank, hazard, poker dice, pontoon, American for French roulette, trended quarantine, Vingt-etum, rudjino or wheel of fortune in any premises to which individual have access physically or via internet

(a) with or without payment; or

(b) whether as of right or not;

'person'

includes any company, body of persons, corporate or unincorporate or any partnership;

'Turnover Tax Act'

means the Turnover Tax Act, No. 69 of 1981;

'year'

means the period of twelve months commencing on the first day of April of any year and ending on the thirty-first day of March in the immediately succeeding year.

**“SCHEDULE**

**[Section 2]**

**PART I**

<i>Column I</i>	<i>Column II</i>
<i>Year</i>	<i>Amount of Levy</i>
1. For every year commencing on or after April 1, 1988 but prior to April 1, 2001 for carrying on the business of booker	One hundred thousand rupees
2. For every year commencing on or after April 1, 2001 but prior to April 1, 2002 for carrying on the business of bookmaker	One million rupees
3. For every year commencing on or after April 1, 2002 but prior to April 1, 2005 where the business of bookmaker is carried out—	
(i) with the use of live telecast facilities	Thirty thousand rupees

The amount of the levy payable by a person carrying on the business of a bookmaker for every year specified in Column I hereto, shall be equivalent to the amount specified in the corresponding entry in Column II hereto -

(ii) without the use of live telecast facilities	Ten thousand rupees
4. For every year commencing on or after April 1, 2005 but prior to April 1, 2006 where the business of bookmaker is carried out–	
(i) through an agent	One million rupees
(ii) with the use of live telecast facilities	Two hundred and fifty thousand rupees
(iii) without the use of live telecast facilities	Twenty-five thousand rupees
5. For every year commencing on or after April 1, 2006 but prior to April 1, 2013 where the business of bookmaker is carried out–	
(i) through an agent	One million rupees
(ii) with the use of live telecast facilities	Three hundred thousand rupees
(iii) without the use of live telecast facilities	Fifty thousand rupees
6. For every year commencing on or after April 1, 2013 but prior to April 1, 2015 where the business of bookmaker is carried out–	
(i) through an agent	Two million rupees
(ii) with the use of live telecast facilities	Three hundred thousand rupees
(iii) without the use of live telecast facilities	Twenty-five thousand rupees
7. For every year commencing on or after April 1, 2015 but ending prior to April 1, 2023 where the business of bookmaker is carried out –	
(i) through an agent	Four million rupees
(ii) with the use of live telecast facilities	Six hundred thousand rupees
(iii) without the use of live telecast facilities.	Fifty-five thousand rupees
8. For every year commencing on or after April 1, 2023 where the business of bookmaker is carried out–	
(i) through an agent or via internet with or without the use of live telecast facilities	Five million rupees
(ii) with the use of live telecast facilities	One million rupees
(iii) without the use of live telecast facilities	Seventy-five thousand rupees

## PART II

The amount of the levy payable by a person carrying on the business of gaming for every year specified in Column I hereto, shall be equivalent to the amount specified in the corresponding entry in Column II hereto -

<b>Column I</b>	<b>Column II</b>
<b>Year</b>	<b>Amount of Levy</b>
1. For every year commencing on or after April 1, 1988 but prior to April 1, 2001 for carrying on the business of gaming	One million rupees
2. For every year commencing on or after April 1, 2001 but prior to April 1, 2002 for carrying on the business of gaming	Twenty-five million rupees
3. For every year commencing on or after April 1, 2002 but prior to April 1, 2005 for carrying on the business of-	
(i) gaming (other than for playing rudjino)	Twelve million rupees
(ii) only playing rudjino	Five hundred thousand rupees
4. For every year commencing on or after April 1, 2005 but prior to April 1, 2013 for carrying on the business of gaming including playing rudjino.	Fifty million rupees
5. For every year commencing on or after April 1, 2013 but prior to April 1, 2015 for carrying on the business of gaming including playing rudjino.	One Hundred million rupees
6. For every year commencing on or after April 1, 2015 but ending prior to April 1, 2023 for carrying on the business of gaming including playing rudjino.	Two Hundred million rupees
7. For every year commencing on or April 1, 2023 for carrying on the business of gaming including playing rudjino.	Five hundred million rupees