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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Government Notifications

TOBACCO TAX ACT, No. 8 OF 1999

REGULATIONS made under Section 21 of the Tobacco Tax Act, No. 8 of 1999 and published in the *Gazette Extraordinary*, No. 1610/28 of 17th July, 2009 is hereby amended by substitution for the regulations, No. 1 to 19 and all Schedules there of the regulation of the following regulations and Schedules.

RANJITH SIYAMBALAPITIYA,
Acting Minister of Finance and Planning

Ministry of Finance and Planning,
Colombo,
23rd October, 2009.

Regulations

1. These Regulations may be cited as the “Tobacco Tax (General) Regulations, No. 1 of 2009”, and shall come into operation from 1st September, 2009. However, these regulations shall come into operation with effect from 01st March, 2010 in case of manufacture, import and export of beedi, beedi tobacco and cigars.

2. No person shall manufacture, store, import or export any raw material or finished product of cigarettes or pipe tobacco and shall manufacture, import or export any raw material or finished product of cigars or beedi without obtaining a certificate of Registration issued by the Commissioner General of Excise (hereinafter referred to as “Commissioner General”) in accordance with the provisions of the Tobacco Tax Act, No. 8 of 1999.

Provided that a person who,—

- (a) produces beedi or cigars using raw materials supplied by a manufacturer registered under these Regulations ; and
- (b) supplies the beedi or cigars so produced to the same registered manufacturer in consideration of a payment for his or her labour,

shall not be deemed to be a manufacturer of beedi or cigars for the purpose of these Regulations.

N.B.—*Gazette Extraordinary Series No. 1624/1 ends with No. 1624/33.*

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3. (a) Every application for obtaining a certificate of registration shall be forwarded to the Commissioner General through the Excise officer of the relevant area and shall be in the form set out in Schedule I to these regulations and shall be paid prescribed fee as is set out in Schedule II to these regulations.

(b) The fee payable under these regulations shall be in addition to any fees which the applicant is required to pay in terms of the Excise (Special Provisions) Act, No. 13 of 1989 or any other law relating to this subject ;

(c) In addition to the fees payable under these regulations every cigarette manufacturer shall be required to furnish for each year, a bank guarantee to the value of Rupees Five Hundred Million.

4. Every applicant for registration other than applicants for beedi, beedi tobacco and cigars shall also furnish to Commissioner General the following documents. In case of registration for beedi, beedi tobacco and cigars every applicant shall furnish only the documents specified under item (v) to (vii) :—

- (i) a copy of the approved plan (Approved by the relevant Local Authority) of the premises or building to which the registration relates ;
- (ii) a certified copy of title deed relating to the property on which the premises or building is situated ;
- (iii) if the property is mortgaged, a copy of mortgage bond or a letter to that effect from the relevant financial institution ;
- (iv) if the applicant is not the owner, a letter of consent from the owner stating that he has no objection to the premises being used for such purpose ;
- (v) an Affidavit stating that the applicant is not convicted of any criminal offence ;
- (vi) the Business Name Registration Certificate issued under the Business Names Ordinance (Chapter 180) ; and
- (vii) the company registration certificate attested by an Attorney-at-Law.

5. The Commissioner General shall after perusing the application and making such inquiries as may be necessary to ascertain the accuracy of the matters stated therein and within thirty days of the receipt of the application grant or refuse to grant the registration. Such refusal shall be communicated to the applicant by registered post.

6. The certificate of registration may be cancelled or suspended or fine may be imposed if the holder of a registration fails to pay any tax or breach any condition or fails to pay any other payment, required by him under this Tobacco Tax Act or Excise Ordinance or Excise (Special Provisions) Act.

7. Every certificate of registration shall be valid for a period of one year from the date of the issue and may be renewed.

8. A person who intends to renew a certificate of registration shall forward an application for renewal forty five days prior to the expiry of the registration. The Commissioner General may renew such certificate or inform the applicant in writing of the rejection of his application for renewal and the reasons therefore, at least thirty days prior to lapse of registration.

9. The following information shall also be provided by a cigarette manufacturer for renewal of registration :-

- (a) Source of tobacco and other raw materials to be used in the manufacturing process ;
- (b) Stock of tobacco and other stocks at the beginning and at the end of the current licensing period ;
- (c) Usage of tobacco and other raw materials used in the manufacturing process during the first nine months of the current licensing period ;

(d) The accounts of earlier financial year certified by a qualified auditor ;

(e) A proof of payment of Income Tax, Value Added Tax, Excise Duty and other relevant taxes in respect of every quarter of preceding and current year.

10. The certificate of registration may be transferred to any other person on payment of a fee subject to the approval of the Commissioner General.

11. The holder of certificate of registration shall maintain a register as set out in the schedule III hereto.

12. The holder of certificate of registration shall keep the premises clean and dispose of, the waste in a proper manner.

13. Where premises are used for manufacture or storage of cigarettes, pipe tobacco or tobacco for cigarettes an application shall be submitted (Schedule VIII) and the following requirements shall be adhered to. It is not required to obtain a certificate of registration for storage, for unprocessed tobacco warehouses, except for premises where tobacco is processed for the purpose of manufacturing cigarettes.

(a) the minimum floor area of a cigarette factory or any building or premises which is used for storage of cigarettes or tobacco shall be two thousand square feet.

(b) no alterations to the existing buildings or any permanent equipment or fixtures of such buildings shall be carried out unless approved by the Commissioner General.

(c) the building on which a cigarette factory or store is housed shall be built with bricks or clay and plastered. It shall be covered with an interior wall to a height of not less than three meters. Outlets for the discharge of water shall be safety fixed to the wall and covered with iron rails ;

(d) all other openings shall be protected by 1/4 inch wire netting which is securely in size and fixed to a frame in such a way as is safe for use ;

(e) the roof shall be made and a ceiling shall be fixed to prevent any waste or other matter from falling into the area being used for manufacturing or storage ;

(f) the windows shall be protected by 1/4 inches wire netting or any other method approved by the Commissioner General.

(g) all keys to a cigarette factory or store shall upon the doors and openings being securely locked, be kept in the custody of an officer not below the rank of an Inspector ;

(h) the officer-in-charge may allow holder of certificate of Registration to use any other safety lock also ;

(i) if an applicant intends to use more than one premises or building for storage, separate certificate of Registration (Schedule VII) shall be obtained for each such premises or building ;

14. (a) The Excise officer shall supervise and monitor the weight and quantity of tobacco leaf brought into the factory of the registered manufacturer of cigarettes or pipe tobacco the removal of finished goods and the quantity of tobacco waste in relation to the goods manufactured ;

(b) The Excise officer not below the rank of an Inspector shall also supervise the receipt and removal of cigarettes and pipe tobacco from the warehouse of the manufacturer ;

(c) The registered manufacturer shall upon the request of the Commissioner General provide adequate facilities within the factory or warehouse premises to the Excise officer for the discharge of his functions under the regulations.

15. A manufacturer of cigarettes, cigars, beedi and pipe tobacco shall pay all government taxes as specified under the Tobacco Tax Act, No. 8 of 1999, Excise (Special Provisions) Act, No. 13 of 1989, Customs Ordinance and any other tax.

16.(a) Every person seeking to obtain a Certificate of Registration to export cigarettes, cigars, beedi, pipe tobacco or tobacco shall make an application in the form set out in the Schedule IV to these regulations, to the Commissioner General ;

(b) The certificate of Registration authorizing the export of cigarettes, cigars, beedi, pipe tobacco or tobacco shall be valid only for a period of one month ;

(c) The holder of a certificate of Registration for export shall maintain a register of all cigarettes, cigars, beedi, pipe tobacco or tobacco as set out in the Schedule III to these regulations ;

17.(a) Every person seeking to import cigarettes, cigars, beedi, pipe tobacco or tobacco shall make an application in the form as set out in the Schedule V hereto ;

(b) A Certificate of Registration authorizing import shall not be issued, without obtaining the permission of the Director General of Customs ;

(c) The holder of a certificate of Registration for import shall maintain a register as set out in the Schedule III ;

(d) The importer of cigarettes, cigars, beedi and pipe tobacco shall pay all taxes as specified under the Tobacco Tax Act, No. 8 of 1999, Excise (Special Provision) Act, No. 13 of 1989, Customs Ordinance and any other tax ;

(e) Every importer of cigarettes, cigars, beedi or pipe tobacco shall provide following information on the package of such product. In case of beedi, following items (iii) and (iv) are not applicable :-

- (i) A health warning as specified under the Tobacco and Alcohol Authority Act, No. 27 of 2006 ;
- (ii) Country of manufacture ;
- (iii) Date of manufacture and date of expire ;
- (iv) Tar and nicotine levels ;
- (v) Any other information required by the law which may be specified from time to time.

(f) The Commissioner General shall introduce security marks and visuals on the packaging of any imported products and adequate notice of those shall be given to Importers ;

(g) Every product shall be imported to the country within Three months from the date of manufacture.

18. The percentage of waste emitting from the manufacture and transport of cigarettes shall not exceed 5% of the tobacco for the year.

19. On the issue of a certificate of Registration for any purpose other than cigar and beedi manufacture in terms of these regulations, the Commissioner General shall enter with a Counterpart Agreement with every person to whom a such certificate is so issued.

SCHEDULE 1

APPLICATION FOR A CERTIFICATE OF REGISTRATION FOR THE MANUFACTURE OF CIGARETTES/CIGARS/ BEEDI/PIPE TOBACCO

1. Full Name of the applicant :_____.

2. Personal Address :_____.

3. National Identity Card No :_____.
4. (a) Address of Business premises :_____.
- (b) Divisional Secretary's Division :_____.
- (c) Police Area :_____.
- (d) District :_____.
- (e) Excise Station :_____.
5. Quantity sought to be manufactured per year :_____.
6. Income Tax and VAT Registration Nos. :_____.
7. A complete plan of the premises of the factory to be attached* :_____.

I/We hereby certify that I am/We are aware that registration may be cancelled or suspended under the Tobacco Tax Act where the particulars are found to be false.

Signature of Applicant.

Date :_____.

* When applying for certificate of registration for manufacture of beedi and cigars plan of the premises specified under item 7 of Schedule I is not required.

SCHEDULE II

FEEs

	<i>Rs. cts.</i>
1. Application Fees :	
(a) Manufacture of cigarettes	10,000.00
(b) Manufacture of cigars and beedi	100.00
(c) Import or Export of cigarettes, cigars, beedi, pipe tobacco, tobacco	7,500.00
2. Application Fees payable in respect of premises (Warehouses) :	
(a) Storage of raw materials for Manufacture of cigarettes	500.00
(b) Storage of cigarettes, finished products of pipe tobacco	500.00
3. Fees payable for the Transfer of Registration	10,000.00
4. Fees payable for the grant of a Certificate of Registration :	
(a) Manufacture of cigarettes	1,500,000.00
(b) Manufacture of cigars, beedi and pipe tobacco	500.00
(c) Storage of cigarettes, raw materials, finished products outside the manufacturing premises (These regulations shall apply to registered cigarette manufacturers and cigarette importers only)	50,000.00
(d) Storage of cigarette, raw materials within the premises separately	1,000.00
(e) Import tax (Each cigarette)	5.00

[illegible]

SCHEDULE III (Contd.)

(b) *Export or Import of cigarettes, Cigars, beedi, pipe tobacco or tobacco*

(I) REGISTER ON THE EXPORT OF CIGARETTES /CIGARS/BEEIDI /PIPE TOBACCO/TOBACCO RAW MATERIAL :

<i>Date of Dispatch</i>	<i>Country to which products are Exported</i>	<i>Kinds of Products by Dozens</i>				<i>File No. approved by C. G. E.*</i>

*Commissioner General of Excise

(II) DETAILS ON IMPORT OF TOBACCO FOR CIGARETTES /CIGARS/BEEIDI/ PIPE TOBACCO/ TOBACCO RAW MATERIALS :

<i>Date</i>	<i>Country from which Product has been Imported</i>	<i>Quantity (Kg.) Units</i>	<i>Access Bill No.</i>

SCHEDULE IV

APPLICATION FOR A CERTIFICATE OF REGISTRATION FOR THE EXPORT OF TOBACCO/CIGARETTES/CIGARS/BEEIDI/PIPE TOBACCO/ TOBACCO RAW MATERIALS

1. Name of Applicant / Name of Institute :_____.
2. Personal / Official Address :_____.
3. Particulars for which certificate of Registration is sought :_____.
4. Details of products expected to be exported :_____.

<i>S/No.</i>	<i>Type</i>	<i>Quantity (Kgs.) Unit</i>
1.		
2.		
3.		
4.		
5.		
6.		
7.		

5. The country to which products to be exported :_____.
6. I agree to furnish following documents in terms of Tobacco Tax Act during the relevant period :—
 - (i) Bill of lading, Invoice of the export Cigarettes/Cigar/Beedi/Pipe Tobacco/Tobacco:_____.
 - (ii) Bill of Lading or air route document :_____.
 - (iii) Certificate from customs :_____.
7. Name of the Shipping Company/Transport Institute :_____.
8. Expected date of Export :_____.
9. Whether the type of cigarettes for export has been approved ? :_____.

I declare that the above particulars are true.

_____,
Name and Signature of the Applicant.

Date :_____.

SCHEDULE V

APPLICATION FOR A CERTIFICATE OF REGISTRATION FOR THE IMPORT OF TOBACCO/CIGARETTES/CIGARS/BEEDI/PIPE TOBACCO
AS RAW MATERIALS OR PARTS

1. Name of Applicant / Name of Institute :_____.
2. Address :_____.
3. Country of Import :_____.
4. Details of materials expected to be imported :_____.

<i>S/No.</i>	<i>Type</i>	<i>Quantity (Kgs.) Unit</i>
1.		
2.		
3.		
4.		
5.		
6.		
7.		

5. Whether the Excise/Tobacco Tax has been paid ? (Receipt to be attached.
The Tax should be paid before Importation). :_____.
6. Name of the Shipping Company :_____.

7. Whether the approval has been obtained from the Director General of Customs ?
(Attach a copy) :_____.

I declare that the above particulars are true.

_____,
Name and Signature of the Applicant.

Date :

SCHEDULE VI

CERTIFICATE OF REGISTRATION FOR THE EXPORT / IMPORT OF TOBACCO/CIGARETTES/CIGARS/BEEDI

1. Name of Applicant / Name of Institute :_____.
2. Address :_____.
3. Registration Number :_____.
4. Permission is given for the Import / Export of the following items :_____.

<i>S/No.</i>	<i>Type</i>	<i>Quantity (Kgs.) Unit</i>
1.		
2.		
3.		
4.		
5.		
6.		
7.		

5. The country to which products to be expected to be Imported / Exported :_____.
6. Receipt Number :_____.
Date :_____. Amount :_____.
7. Whether the Imports and Exports have been approved ? (Only for Cigarettes):_____.
8. Access Letter Number :_____.
9. Valid period from to

_____,
Commissioner General of Excise.

Date :_____.

SCHEDULE VII

CERTIFICATE OF REGISTRATION FOR THE MANUFACTURE/STORAGE OF TOBACCO/CIGARETTES/CIGARS/BEEDI/PIPE TOBACCO

1. Name of Applicant / Name of Institution :_____.
2. Address :_____.
3. Address of Business Premises :_____.
4. Registration No. :_____.
5. Valid period from to

You are hereby granted permission to Manufacture / Store Tobacco/Cigarette/Cigars/Beedi/Pipe Tobacco in premises (Plan is attached with the application) in Police area in Excise Station in Divisional Secretary's Division in in the District of
.....

_____,
Commissioner General of Excise.

Date :_____.

A Registration Holder shall be subjected to Tobacco Tax Act, No. 8 of 1999 and regulations made the thereunder.

SCHEDULE VIII

APPLICATION FOR A CERTIFICATE OF REGISTRATION FOR THE STORAGE OF CIGARETTES/PIPE TOBACCO/TOBACCO FOR CIGARETTES

1. Full Name of the Applicant :_____.
2. Personal Address :_____.
3. National Identity Card No. :_____.
4. (a) Address of Business Premises :_____.
- (b) Divisional Secretary's Division :_____.
- (c) Police Area :_____.
- (d) District :_____.
- (e) Excise Station :_____.
5. Quantity Sought to be Manufactured per Year :_____.
6. Income Tax and VAT Registration Nos :_____.
7. A Complete Plan of the Premises of the Stores to be attached:_____.

I/We hereby certify that I am/We are aware that registration may be cancelled or suspended under the Tobacco Tax Act where the particulars are found to be false.

_____,
Signature of Applicant.

Date :_____.