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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 1996/52 - 2016 දෙසැම්බර් මස 09 වැනි සිකුරාදා - 2016.12.09

No. 1996/52 - FRIDAY, DECEMBER 09, 2016

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

THE EXCISE ORDINANCE

Excise Notification No. 991

BY virtue of the powers vested in me by Section 32 of the Excise Ordinance (Chapter 52), as amended from time to time, I, Ravi Karunanayake, Minister of Finance, do by this Order amend the Sections 26, 27 and 39 of Excise Notification No. 844 published in the *Gazette Extraordinary* No. 1232/12 of April 18, 2002 with effect from 01.01.2017.

RAVI KARUNANAYAKE,
Minister of Finance.

Ministry of Finance,
Colombo,
09th December 2016.

RULES GOVERNING DISTILLERIES/WAREHOUSES

Excise Notification No. 844 published in the *Gazette Extraordinary* No. 1232/12 of April 18, 2002 is hereby amended as follows :

1. By the repeal of Section 26 and the substitution therefore of the following :

“Distillers/Operators of Warehouses to account for deficiency in stocks - An account will be taken of actual stocks lying with Distillers/Operators of Warehouses/Operators of Bottling Plant as such intervals in such manner as the Commissioner General of Excise may direct or at any time. For wastage a quantity not exceeding 0.1% of the actual stock per calendar year shall be allowable, but on all spirit, in excess of such allowance and for which a satisfactory explanations may not be forthcoming, and for which the Distiller/Operator of Warehouses/Operator of Bottling Plant is unable to account for to the satisfaction of the Commissioner-



General of Excise, they shall pay to the Government, duty at prevalent tariff rate. Wastage for the purpose of collection of duty on the excess as aforesaid shall be calculated on a pro rata basis at the time of inspection.

2. By the repeal of Section 27 and the substitution therefore of the following :

“Saving in unavoidable case - Where it shall be proved to the satisfaction of the Commissioner-General of Excise, or of such officers appointed by him, that such deficiency in access of 0.1% has been caused by unavoidable case, the payment of duty at the above rate on such deficiency may be waived, subject to approval of Secretary to the Treasury upon the recommendation by the Commissioner-General of Excise. This shall be applicable only if any other compensation has not been made.”

3. By the repeal of Section 39 and the substitution therefore of the following :

“Allowances for loss by Leakage, Evaporation in Transit :-

- i. An allowance up to a maximum of 0.05% as transport wastage for any period will be made for the loss in transit by leakage and evaporation of spirit transported locally under bond, or for import/export or issued duty free for government purposes. In calculating the wastage, the date of issue, the actual time spent in transit and the date of receipt will be taken into account.
- ii. For spirit transported under bond or duty free, if a wastage more than the above is reported by the officer who has gauged and proved, then for the excess amount the applicable duty at the prevailing tariff rates must be paid by the distillers/operator of Warehouse/Operator of the Bottling plant. If it can be proved to the satisfaction of the Commissioner-General of Excise or of such officers appointed by him that the wastage over and above 0.05% is due to an unavoidable reason, the Secretary to the Treasury on the recommendation of Commissioner-General of Excise can waive the duty payable for such a loss. This shall be applicable only if any other compensation has not been made.
- iii. The allowance to be made under this rule will be determined by deducting from the quantity of spirit dispatched from the Distillery/Warehouse/Bottling Plant, the quantity received at the place of destination.”