

Maithreepala Sirisena
The President of Republic of Sri Lanka
Presidential Secretariat
Colombo 1

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Serving Notice urging action to stop defrauding of tax revenue by MPs

It is observed that further to a 'policy decision' taken by the Yahapalana administration all 225 MPs have been issued with permits to import vehicles (Diesel or Petrol) with no engine capacity specified up to the value of US \$ 62,500.00, absolutely free from any tax (a copy of once such permit marked **X1** is enclosed).

2. Already the required tax exemption has been gazetted in this regard (No 1965/2 of 02 May 2016) by the Minister of Finance Ravi Karunanayake (copy marked **X2** enclosed).

3. The tax component of such a vehicle (charged at the rate of 300%) is well over 30 million rupees and thus there is a heavy demand for this permit in the car market, which fetches a price tag between 20 to 22.5 million rupees.

4. It is also leant that vehicle valued up to £100,000.00 are also imported on these permits with a false value declared for Customs purposes approved by the committee appointed to determine the value of these vehicles.

5. It is common sense that selling of these permits and sharing the defrauded tax revenue with car importers is not only legally but morally wrong as it amounts to abuse of office of MP for unjust enrichment, a punishable act under Section 70 of the Bribery Act.

6. Therefore, keeping with your constitutional duty to uphold the Rule of Law, according to the Constitution and the Law you are hereby requested to take following corrective measures straightaway to stop this abuse of defrauding the government revenue, whilst

other citizens are charged with heavy tax of various kind imposed on essential commodities including hospital bills.

- a) Impose a condition that no vehicle imported on permits issued to MPs can be disposed of for a period of 5 years from the date of importation, the violation of which in any manner, would result automatic forfeiture of the vehicle by the Director General of Customs (DGC).
- b) Direct the DGC to seize and confiscate any vehicle imported under this permit scheme with false declaration value for customs purposes, which is an offence under Section 52 of the Customs Ordinance.
- c) Direct the Registrar of Motor Vehicle (RMV) to stipulate a condition against the disposal of such vehicles in the Vehicle Registration Certificate for a period of five years from the date of first registration.

7. I have already reported this abuse to the Corruption Commission on 11th Dec 2014 requesting the Commission to enforce the law against the fraudster elements. Yet the Commission is of the view that 'the loss caused to the government had resulted from the implementation of the government policy' and therefore refused to initiate action against the perpetrators (ref: X3). And when the refusal of the Corruption Commission was challenged in the Supreme Court (SC/Writs/2/2015), which exercises people's judicial power absolutely on trust, the Court too declined to intervene, citing the same reason and the application made to the Court for revision of the said Order on the basis that it has been made *per incuriam* also refused by the Chief Justice (ref X4).

8. You are well aware that people of Sri Lanka removed President Rajapakse for a reasons; that was mainly due to condoning and encouraging of all forms of corruption. During the 2015 election campaign to the Office of the President you promised people a 'Yahapalana' administration free from corruption, but the situation has now become much worse, denying no hope for justice for the people against the gross abuse of their sovereign powers.

9. In the aforesaid circumstances to restore the Rule of Law, it has now become necessary for you to initiate action against this grave abuse and it is time that you

realize that there is no point preaching here and abroad about the governance free from corruption without practicing what you preach.

10. Please take notice that failure on your part to intervene to stop this fraud with necessary directions given to the DGC and RMV as aforesaid within 14 days of this letter, would necessarily result in seeking a mandatory order from the Supreme Court against you for treating selected group of people differently, while causing enormous hardship to the citizens with all forms of unbearable tax impose on them.

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