

The Commissioner General of Inland Revenue
Sir Chittampalam A Gardiner Mawatha
Colombo 2

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Income Tax File No: 57/6352-25

18th November 2016

**Withholding of Income Tax dues pending Government's action to recover the tax revenue
defrauded on MP tax-free car permits**

I am a citizen of Sri Lanka and in the UK practicing law in both jurisdictions and a person who respects his obligations under the law, including meeting of his statutory obligations to pay income tax on the taxable income.

Amongst other areas, I also practice investigative public interest litigation, particularly against the MPs and the Members of the Cabinet of Ministers, who violate law for their private benefit and in some cases intentionally defrauding the Government tax revenue, whilst the citizens are burdened with unbearable taxes.

During the process of my investigations I have observed that the failure of the rule of law in this country is such that anti-graft agencies have become impotent, apparently under the undue pressure and strict directions by the government, inhibiting them from conducting inquiries against the corrupt elements in the Legislature and the Executive.

On 26th Aug 2016 for the second time, I made a prima facie case to the Commission to Investigate Allegations of Bribery or Corruptions (CIABOC), supported by irrefutable evidence of serious tax revenue fraud being committed by the members of Parliament and the Cabinet of Ministers who openly sell their tax-free car permits to the motor traders with whom they share the defrauded tax revenue on vehicles imported on those tax-free permits, a fact conceded by the Ministry of Finance itself. This financial crime is a criminal offence that falls under Section 70 of the Bribery Act and costs the government over 7 billions of tax revenue. The Director General CIABOC absolutely failed to take any action to initiate an independent investigation on this complaint.

On this abuse of Government's tax revenue I had reported to the CIABOC earlier too (11th Dec 2014) and it informed me (04th March 2015) that it would take no action against this abuse since the **'loss caused to the government revenue was due to the implementation of government policy on the tax-free permits'** (copy of the letter sent by the Corruption Commission dated 04th March 2015 is enclosed for your perusal).

As the head of the Department, you are aware that all persons holding public office are required by law to perform their duties only for public good with due respect to the public trust placed in them. They are bound to exercise the powers conferred on them not for their private benefit but in good faith, and upon lawful and relevant grounds of public interest only.


It is depressing to witness however, that the State has absolutely failed to act against the degradation of the rule of law with scant respect to fulfill its obligations as a public trustee. Thus, it is imperative for me to initiate a forceful action to make every concerned person aware of the break down of the rule of law in this country, where the people's inalienable sovereign rights are being insulted by those who hold offices in the legislature and the Executive for their private benefits for decades.

Therefore, to make such persons holding office in the Legislature and the Executive understand the seriousness of these financial crimes, I have decided to take an initiative to withhold the payment of my Income Tax bill for the year 2015/2016, amounting to Rs 264,186.00.

However, I enclose herewith the Bank of Ceylon cheque no 557803 dated 18th November 2016 for Rs 264,186.00 in respect of my tax liability, the funds of which would be held by my bank on my instructions pending my orders to honour the payment, which would be made, once the government takes corrective measures to recover the defrauded tax revenue by the MPs and the Cabinet of Ministers.

I vehemently believe that you would understand the importance of taking this step purely in the public interest that is in line with every citizen's right to equality and equal protection before the law [Article 12(1) of the Constitution].

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.....Nagananda Kodituwakku.....
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