

Press Release -28th August, 2023

The United Federation of Labour challenges the Inland Revenue Amendment Bill

The President of the United Federation of Labour Swasthika Arulingam has filed a Special Determination Action on behalf of her Union challenging the constitutionality of the Inland Revenue Amendment Bill which was placed in the order paper of Parliament on the 8th August, 2023.

The Petitioner states that the Parliament has no mandate to levy taxation on the income of the EPF/ETF funds, particularly taxation as high as 30%. In her petition the Petitioner has submitted to Court that the Government and Parliament will be violating their executive and legislative powers given to them in trust by the Sri Lankan people if this proposed bill is passed and this draconian taxation imposed on retirement savings.

The Petitioner has stated nearly half the account holders of the EPF funds do not even pay taxation while they are earning as some of their salaries are as low as Rs. 21,000. Hence the Parliament has no mandate to pass a legislation which would impose a tax on the same workers on their retirement savings. Such a taxation would be in contrary to Article 12(1) where all persons are equal before the law and are entitled to the equal protection of the law.

The Petitioner has submitted that the executive and legislative powers vested in trust to the Government and Parliament have clear boundaries set out in the Constitution. The Constitution lays these boundaries in the directive principles of state policy chapter where neither the Government nor the Parliament can take steps to deplete the social security of the people of Sri Lanka.

The matter will be taken up before the Supreme Court for support on the 28th August, 2023. The Petitioner is instructed by Attorneys-at-Law Musthafa Kamal Bacha Ramzeen and Akila Madushanka Aluthwatte and will be represented in Court by Attorney-at-Law Nuwan Bopage.