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MINISTRY OF FINANCE AND PLANNING

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Fiscal Policy Circular No: 01/2010

Chief Secretaries of Provincial Councils,  
Commissioner General of Inland Revenue,  
Director General of Customs,  
Commissioner General of Motor Traffic.

**Implementation of Budget Proposals – 2011**  
**Transfer of Central Government's Revenue to Provincial Councils**

Pursuant to the Budget Proposal approved by the Parliament, the following categories of Revenue collected by Commissioner General of Inland Revenue (CGIR), Director General of Customs (DGC) and Commissioner General of Motor Traffic (CGMT), will be transferred to Provincial Councils (PCs) on the following basis w.e.f. 01.01.2011.

(i) Nation Building Tax	33 1/3 %
(ii) Stamp Duty	100%
(iii) Vehicle Registration Fees	70%

2. Accordingly, it has been decided to adopt the following collection and transferring procedures with regard to transfer of revenue from Nation Building Tax and stamp duty.

(a) Operation of Bank Accounts to collect revenue to be transferred to Provincial Councils (PCs)

CGIR/DGC will open and operate two dedicated bank accounts, with Bank of Ceylon and People's Bank to collect the share of each revenue from the main Revenue Collection Accounts on daily basis. These two accounts will be in operation w.e.f. 01.01.2011.

(b) Transfer of Revenue for the Credit of Provincial Bank Accounts

Total receipt laying for the credit of Dedicated Bank Accounts for collection of provincial share of the revenue at the end of each two weeks period should be apportioned and transferred by Bank authorities to the Provincial Special Bank accounts operated by PCs based on the following ratios as per the Standing Order issued by the CGIR/DGC who are the custodians of Revenue Collection Accounts for provincial councils. These ratios will be revised and re-fixed periodically with the concurrence of the Finance Commission.

<b>Province</b>	<b>Ratio</b>
Western Province	48%
Central Province	9%
Southern Province	9%
North Western Province	9%
Sabaragamuwa Province	5%
North Central Province	5%
Uva Province	5%
Eastern Province	5%
Northern Province	5%

CGIR/DGC are required to ensure that no balance is left for the credit of the account at the end of the month.

(c) Operation of Provincial Bank Accounts

For the purpose stated in para 2 (b) above, the Chief Secretaries of PCs are required to open and operate two special bank accounts to receive its revenue share fortnightly. Bank of Ceylon Taprobane Branch and People's Bank Union Place Branch have allocated the following Bank Account numbers for each Provincial Council. Action should be taken by Chief Secretaries to get these accounts activated in consultation with Director General of Treasury Operations, as early as possible.

<b>Provincial Council</b>	<b><u>PB Union</u> <u>Place Branch</u></b>	<b><u>BOC</u> <u>Taprobane Branch</u></b>
Western Province	014100120003263	71353199
Central Province	014100100003264	71353418
Southern Province	014100170003265	71353540
North Western Province	014100150003266	71353692
Sabaragamuwa Province	014100130003267	71353763
North Central Province	014100110003268	71353846
Uva Province	014100190003269	71353914
Eastern Province	014100170003270	71354008
Northern Province	014100150003271	71354064

3. In respect of the Vehicle Registration Fees, the existing procedure will remain unchanged. The applicable rate to share the revenue to PCs, will be 70% w.e.f. 01.01.2011.
4. Chief Secretaries are required to reconcile the transferred revenue for the credit of these accounts with the records maintained by CGIR/DGC for transfer of revenue and to send a classified Revenue Statement monthly to the Finance Commission with copies to Director General of Fiscal Policy and Director General of State Accounts.

This Circular is issued with the concurrence of Finance Commission.



**P.B. Jayasundera**  
Secretary to the Treasury

- Copies: 1. Auditor General  
2. Secretary, Ministry of Provincial Councils  
3. Chairman, Finance Commission  
4. Director General of National Budget  
5. Director General of Fiscal Policy  
6. Director General of Treasury Operations  
7. Director General of State Accounts  
8. General Manager, Bank of Ceylon  
9. General Manager, People's Bank