



# INLAND REVENUE DEPARTMENT

## Notice to Taxpayers

### Prevention of corruption in Inland Revenue Department

Corruption at a revenue administration corrodes the moral fabric of the society, rewarding dishonesty, punishing integrity and ultimately leading to a breakdown of trust and social cohesion.

"If you don't kill Corruption, it will kill Sri Lanka"

Bribery connected cases within a Tax Administration are better to be dealt with promptly and effectively as to protect the most needed government revenue. In an effort to eradicate or minimize bribe taking within a tax administration, measures addressing only the tax officials may not bring convincing results as it is not an act singly done by tax officials. Involvement of taxpayers and tax consultants together with tax officials in such cases makes a situation, where all three parties should have to be well-addressed to promote their willingness not to engage in this crime, if the problem is to be solved or reduced. On the other hand, bribe connected cases can be identified as the cases with tax evasions due to willingness of a taxpayer to reduce or avoid his tax liability in this illegal manner. The same situation keeps the case open as an assessment on the correct amount of tax payable can be made at any time. In other words, restriction of time period for making an assessment (time bar) does not apply for the willful evasion, done through giving the bribe.

Several proactive measures have been taken aiming at minimization and elimination of avenues for potential corruption at the Inland Revenue Department (IRD).

The following proactive measures and steps are taken for elimination of corruption at IRD.

- I. **Zero tolerance:** Any corruption including bribes offered or demanded is not tolerated and the parties aggrieved are encouraged to collect the prima facie and apparent evidences for such corruption through audio/video recordings by mobile phones, CCTV and others to make the complaint to the proper authorities including Commission to Investigate Allegations of Bribery and Corruption (CIABOC) and CGIR.

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II. **Method of communication:**

(a) Any person wishing to make complaints is always encouraged to complain to the CIABOC by communicating with them, as CIABOC is the relevant authority to investigate such complaints.

A complaint box has been fixed in the IRD premises (ground floor) by the CIABOC, so that any complaint can be made by using it.

(b) If the complaint is made to the CGIR use following,

- i Post: The Secretariat, Inland Revenue Department, P O Box- 515, Colombo 02
- ii Email: [cgir@ird.gov.lk](mailto:cgir@ird.gov.lk)
- iii Land phone: +94 112135400
- iv Fax: +94112337777

III. **Evidence for the allegation:** Special attention shall be paid to the allegations of corruption against an employee of IRD, provided the complaint is accompanied either

- i With the name, address and contact details of the complainant or
- ii With supporting documents but the complainant is anonymous

IV. **Security guaranteed:** Sense of security and safety of the complainant from any adverse consequence of a complaint made against any employee of IRD is guaranteed. Any kind of reprisal by fellow officers, for making a complaint against another fellow officer shall not be tolerated and prompt disciplinary action shall be taken against such officer.

V. **Suspension of Audit:** Had the allegation been made by a taxpayer against a tax official who was involved in auditing of such taxpayer's business (as the proprietor, partner, director, authorized representative or any other principal employee), such audit proceedings shall be stopped forthwith **if the prima facie evidence for the allegation was established or apparent**, for the purpose of elimination of the fear of harassment to the complainant-taxpayer by fellow employees of IRD and for encouraging the taxpaying public to come forward against the corruption.

VI. **Action Taken:** Special committee comprising of officers with past records of honesty and integrity and of minimum one officer out of the Inland Revenue Service, to be appointed by the CGIR for conducting a **preliminary inquiry** in terms of the Establishment Code to look into such allegations of corruption made against the Employees of IRD.

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- VII. **Formal inquiry:** Every such allegations and charges are to be investigated by the committee. On submission of the preliminary report where the prima facie case against such an officer was established, he/she shall be transferred to the Pool until the completion of the **formal inquiry**.
- VIII. **Referral to CIABOC:** If more than 50 % of the members of the Committee are satisfied that there was substantial truth in the allegation, such a case should be referred to CIABOC/ PSC with its report for further action.
- IX. **Feedback on the complaint:** The complainant who made the allegation of corruption with his/her identity, may seek the CGIR of the progress of the allegation he/she made against the employees after the expiry of three months from the date of the complaint made.
- X. **Less human intervention:** Minimization of human interventions as much as possible while the maximum use of e-services is encouraged such as e-registration, e-filing, e-payment, e- correspondence with IRD.
- XI. **Reduction of discretionary powers:** More discretionary powers lead to more corruptions. Therefore, the circulars and guidelines are issued aiming at ensuring cohesive and consistent administration of tax fairly and equally for all.
- XII. **Transparency and Accountability:** As a way forward of combatting corruption and for ensuring transparency and accountability, all the instructions, circulars and guidelines of the CGIR, which are related to affairs of the taxpayers – such as assessments, administrative reviews, rights and obligations – shall be made available at the website of IRD. ([www.ird.gov.lk](http://www.ird.gov.lk))
- XIII. **Incentive for honesty:** The employees are encouraged and incentivized to make a complaint with evidence against taxpayers who attempt to offer bribes.

"The indifference and silence of the good people are the most dangerous weapons in the arsenal of wrongdoing." - Martin Luther King Jr.

Taxpayers with any source of income, whether it be employment, investment, business or other are aspiringly requested and highly encouraged to pay the correct tax amount after taking all benefits according to the law and contribute to the development process of Sri Lanka

## Commissioner General of Inland Revenue

