



PRESS RELEASE

ALL'S WELL WITH THE GALLE LITERARY FESTIVAL

The Galle Literary Festival is set to begin. Following a ruling issued by the High Court of Galle the organisers of the Galle Literary Festival have been permitted to conduct the Festival as planned without any interference or obstruction from the Galle Municipal Council.

Earlier this month the Galle Municipal Council notwithstanding previous exemption of the Festival from any Entertainment Tax, sought to levy a 25% tax on their assessment of the Festival's ticket revenue. Galle Festival (Guarantee) Limited, a non-profit association incorporated by guarantee, appealed the payment of the tax on the basis that the Festival was not liable to tax, under the Entertainment Tax Act. The Entertainment Tax Act imposes a liability on any dance, games, sport, cinematographic entertainment, concert, recital, circus or variety show to which persons are admitted for payment, but does not include stage plays, theatricals, puppetry, ballet and other performances on stage, of a like nature.

In any event, since all the funds of the Galle Literary Festival are directed solely towards conducting the Festival, the proceeds from ticket sales are exempt from taxes under Section 8 of the Act.

The Galle Literary Festival earns from the sale of tickets a small fraction of its overall running costs each year, the remainder being covered by sponsorship. In 2010, the Festival's ticket revenue will also help to enable the Festival's free events, its outreach programme, its subsidy of student and teacher tickets, and its introduction of a dedicated day of events for schoolchildren from Galle. The payment of the tax as sought to be levied would effectively defeat both the overall feasibility of the Festival and its potential to reach more people in Sri Lanka. This left the organisers no choice but to seek legal remedy, for the sake of this and future Festivals.

The Galle Literary Festival aims to create a unique experience for visitors from both Sri Lanka and abroad, and through this event to provide a boost to local business and tourism in Galle. The Festival thanks its partners and audiences for their support in developing this aim. The Galle Literary Festival 2010 will proceed as planned.

For further information please contact info@galleliteraryfestival.com