

# Tracing the Modern Concepts of Economic Law in the Ancient Monarchical Governance in Sri Lanka - A Comparative Analysis of selected Modern Trade Legislation with the Epigraphic Evidence

By Raja Goonaratne\*

*It is generally believed that the notion of law originated with the evolution of human species. Law is a mechanism by which the human actions and conduct are regulated to ensure peaceful co-existence and justice in the society. Law is classified in multiple ways for diverse purposes. Economic Law is one such evolving category in the contemporary global jurisprudence. The embryonic concept of economic law can be traced to many ancient societies including Sri Lanka. Sri Lankans are a great chronicling nation. They kept records on every aspect of their collective life in chronicles such as the Mahāvamsa- Great Chronicle on the Nation, Vansattappakāsinī-Commentary on the Great Chronicle, Dīpavamsa-Chronicle on the Island, Daladāvamsa- Chronicle on the Sacred Tooth Relics of the Buddha, Tūpavamsa- Chronicle on the Pagodas, Mahā Bōdivamsa-Chronicle on the Sacred Bo-Tree and Attanagaluvamsa- Chronicle on the Temple at Attanagalla etc. Their ancestors have used any writable material such as granite, copper, gold, silver and Ola or Talipot palm leaves-Corypha umbraculifera- for writing down their history. Those writing are collectively called the epigraphic records. There are thousands of epigraphic records of which some belong to the pre-Christian period. The epigraphic records are rich and authentic sources in studying the legal history of Sri Lanka. The objective of this study is to analyze the application of legal concepts and rules in regulating trading activities during the ancient monarchical rule in Sri Lanka and compare them with the modern legislations. The qualitative research methodology combined with doctrinal legal research methods were used for this research. The principal research problem that was investigated is whether Sri Lanka has applied any economic legal norms akin to their modern counterparts during the ancient monarchical rule. The primary sources include Badulla pillar inscription, Epigraphia Zeylanica and a few selected modern legislations such as the Constitution of Sri Lanka, Sale of Goods Ordinance No. 11 of 1896, Measurement Units, Standards and Services Act No. 35 of 1995, Consumer Affairs Authority Act No. 9 of 2003, Value Added Tax Act. No 14 of 2002. The secondary sources include scholarly journal articles, government reports and standard books. The findings confirm that the ruling monarchs in ancient Sri Lanka have had advanced juridical thoughts and they have conceptualized economic legal concepts akin to the modern principles.*

**Keywords:** Ancient Economics; monarchs; law; rules

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\*LL.B. (Hons) Colombo, LL.M (Monash) Australia, PGD. Dip in Forensic Med & Science (Colombo), Ph.D (KLN), Attorney-at-Law, Senior Lecturer, Department of Law, The Open University of Sri Lanka  
Email: rdarmasirie@gmail.com

## Introduction

The human species began to evolve from ape into a more complex species called *Homo sapiens sapiens* 4.5 million years ago.<sup>1</sup> The fossils and DNA evidence suggest that modern humans have evolved around 300,000 years ago. Also, evidence such as stone tools, artifacts, cave art suggest technology and cultures began to evolve 50,000-65,000 years ago.<sup>2</sup>

Since then, human species grew rapidly and at present nearly 8.2 billion human beings live on the earth.<sup>3</sup> It expects to grow 8.5 billion in 2030, 9.7 billion in 2050, and 10.9 billion in 2100.<sup>4</sup>

As hunter-gatherers, humans started to live in small, nomadic and egalitarian groups and later progressed into complex societies that we live in today.<sup>5</sup> Still later, they conceptualized two important norms that greatly impacted on the survival of human beings i.e. 'law' and 'economy.'

In its broader sense 'law' refers to a mechanism used to control human actions.<sup>6</sup> The unregulated human conduct would undoubtedly make human society unliveable due to the selfish nature of man.<sup>7</sup> The credible evidence suggest that the ancient human societies had written and unwritten laws, e.g. Mesopotamia, Rome, Greece, China, India etc.<sup>8</sup> King Hammurabi's law code in Mesopotamia is believed to be an early written law codes dating back to 1722 BCE. Western civilization owes many of its major institutions including law to the ancient Roman society.<sup>9</sup>

The word "economy" derives from the Greek term "*oikonomia* which means household management.<sup>10</sup> Scottish thinker Adams Smith (1723-90) is believed to have spearheaded the modern 'economic thinking' through his celebrated work "The Wealth of Nations."<sup>11</sup> Also, new discipline to investigate laws' impact on economies and *vice versa* emerged a few decades ago.<sup>12</sup>

In modern sense, 'economic activity' refers to any activity by which goods or services are produced, intermediated, and sold to consumers. It includes producing, brokering, or selling goods or service etc.<sup>13</sup> It occurs when capital, labour, manufacturing techniques are combined to produce goods or services. So, it is characterized by an input of resources, a production process and an output of products.<sup>14</sup>

The economic activity has special characteristics, i.e., (a) earning motive, (b) utility creation, (c) satisfaction and (d) measurability in terms of money. Non-

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<sup>1</sup>Parker (2001).

<sup>2</sup>Longrich (2020).

<sup>3</sup>Worldometers (2024).

<sup>4</sup>United Nations (2022).

<sup>5</sup>Venkataraman (2022).

<sup>6</sup>Raz (1979).

<sup>7</sup>Amin (2010).

<sup>8</sup>Tulane University Law School.

<sup>9</sup>Roberts (2023).

<sup>10</sup>Kenton (2021).

<sup>11</sup>Vann (2023).

<sup>12</sup>Gelter & Grechenig (2014).

<sup>13</sup>Karan (2022).

<sup>14</sup>Glossary: Economic Activity (2023).

economic activities are characterized by (a) motivation of service, (b) self-satisfaction, (c) inability to measure in terms of money and (d) social obligation.<sup>15</sup>

Since law is a mechanism for regulating human conduct, it regulates people's economic activities. So, there is a close conceptual and consequential affinity between law and economy.<sup>16</sup>

### **Objective of the Research**

The objective of this study is to examine the legal norms and rules applied in regulating trading activities during the monarchical rule in Sri Lanka and compare them with a few selected modern legislations. The period under review is the reign of King *Udaya IV* which lasted from 942 to 950 CE.

### **Methodology**

The qualitative research methodology combined with doctrinal legal research methods was used for this research. It is interpretative in nature. The principal research problem is whether Sri Lanka has applied any legal norms akin to their modern counterparts to regulate trading activities during the ancient monarchical rule. The primary sources include the *Badulla* pillar inscription, *Epigraphia Zeylanica*, and a few selected modern legislations, i.e., Constitution of Sri Lanka, Sale of Goods Ordinance No. 11 of 1896, Measurement Units, Standards and Services Act No. 35 of 1995, Consumer Affairs Authority Act No. 9 of 2003 and Value Added Tax Act No. 14 of 2002. The secondary sources include the scholarly journal articles, government reports, standard books.

### **Discussion**

#### **Monarchical Rule and Development**

Sri Lanka is an island-nation located in the Indian sub-continent and her people; especially the Sinhalese are one of the best chronicling nations in the world. They kept written records on every aspect of their collective life using any materials such as granite, copper, gold, silver and *Ola* leaves (*Corypha umbraculifera*).

The monarchical governance is believed to have commenced in the 5<sup>th</sup> century BCE and continued up to 1815 CE. The first monarch King *Vijaya* is believed to have landed with his seven hundred followers in the 5<sup>th</sup> century BCE.<sup>17</sup>

From King *Vijaya* to the first invasion by the British in 1815 CE, more than 192 kings ruled Sri Lanka. They established kingdoms at *Tambapanni*, *Anurādhapura*, *Polonnaruwa*, *Rōhana*, *Dambadeniya*, *Kurunagala*, *Gampola*, *Kōtte* and finally *Kandy*.

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<sup>15</sup>Kloosterhuis (2017).

<sup>16</sup>Wang & Madson (2013).

<sup>17</sup>Geiger (1958).

Besides a few dark periods, this epoch flourished with economic development. Huge reservoirs (*vāwa*) with complex water management systems were built demonstrating engineering knowledge, skills and technology of the ancient Sinhalese.<sup>18</sup> Large brickworks of multiple shapes e.g. cylindrical-shaped *dāgāba* and multi-storied buildings similar to modern skyscrapers were constructed i.e. *Lōvāmahāpāya* or the Brazen Place.

The survival of humans depends on health-care system. Even food is in abundance, if there is no proper health-care system; survival is threatened and eventually it may lead to extinction. The ancient monarchs built a network of hospitals in their kingdoms. Special hospitals were built for animals, blinds and cripples, e.g. inscriptions found at *Kiribatvehera*, *Dorabavila*, *Vessagiri*, *Mādirigiriya* and *Mihintalē* confirm it.<sup>19</sup>

The literature, fine art, music, sculpture, sports etc. had developed that their remaining ruins demonstrate the socio-economic development in that period.

### Sri Lanka-Ancient Hub of Trans-national Trades

Sri Lanka's strategic location<sup>20</sup> in the Indian Ocean has always been a blessing and curse. It facilitated invasions from the neighbouring states and three western colonizers. As Sri Lanka was a cynosure of the world from early periods, Claudius Ptolemy (150 CE) depicted Sri Lanka in the first world map and named it as "*Taprobana*."<sup>21</sup>

Silk Route was a famous ancient sea trading-route which ran from China to Europe.<sup>22</sup> Sri Lanka has naturally positioned in the middle of the Silk Route. From 8<sup>th</sup> century BCE many trading ships from around the world have sailed to Sri Lankan harbours for trading purposes.<sup>23</sup> The popular sea ports were *Māntai* (north-west), *Godavāya* (south) and *Gōkanna* (east).<sup>24</sup> Stone inscription found at *Godavāya* temple confirms that it was a sea-port and the King *Gajabāhu* (113-135 CE) ordered that custom duties of that port to be offered to *Godavāya* temple for maintenance.<sup>25</sup>

The *Nainative* Tamil inscription contains a Royal Decree of King *Parākramabāhu* I (1153-1186 CE) about the rules on anchoring ships at *Ūrātota* sea-port (modern *Kytes* in Jaffna).<sup>26</sup>

Also, ancient foreign coins, ceramics, potsherds and other artifacts confirm that Sri Lanka has been a well-known emporium in the world.<sup>27</sup> So, export and import trading via sea-routes have been a part of routine trading activities in those days.

Those evidence confirms that Sri Lanka has been a center of cross-border and transnational trading activities. So, it is hardly possible to deny the existence of laws

<sup>18</sup>Shannon & Manawadu (2007).

<sup>19</sup>Upeksha & Thilakarathna (2018).

<sup>20</sup>Walakuluge & Arbeysekara (2024).

<sup>21</sup>D'Ambra (2021).

<sup>22</sup>Sudharmawathie (2017).

<sup>23</sup>Ranatunge, Malmgren, Hayaski & Mikami (2003).

<sup>24</sup>Bohingamuwa (2018).

<sup>25</sup>Sri Lanka Archaeology (2010).

<sup>26</sup>Indrapala (1963).

<sup>27</sup>Mendis, Perera & Nonis (2024).

to regulate those activities. Since the pre-Christian period, Sri Lanka has had both written and unwritten laws to regulate human conduct.<sup>28</sup>

### The Reign of King *Udaya IV* (942- 950 CE) and Merchants' Complaints

King *Udaya IV* is the 120<sup>th</sup> monarch and his reign lasted 8 years. His predecessor was *Sēna III* who ruled 9 years and his successor was *Sēna IV* who could rule 4 years only.<sup>29</sup> King *Udaya's* reign was marred by *Cōla* invasion and he fled to *Rōhana*. Subsequently, the monarch returned to his kingdom.

King *Udaya IV* enacted a law code, wrote it down on stone pillars and installed them in his kingdom. It provides credible evidence of laws relating to trading activities in the 10<sup>th</sup> century BCE. It is known as 'Badulla Pillar Inscription' (*BPI*).<sup>30</sup>

**Table 1.** Salient Features of Badulla Pillar Inscription

Name of King	Reign	Seat of Reign	Location of BPI	Dimension	Width	Height	Font Type	Font Size	No. of Lines
King <i>Udaya IV</i> As per EZ Vol. III <i>Udaya III</i>	From 942-950 CE	Polonnaruwa Polonnaruwa	Found near <i>Sorabora väva</i> -3 km north-west of <i>Mahiyanganaya</i> . Now at Provincial Museum in <i>Badulla</i>	Rectangular with 4 sides- A, B, C, & D	10.05 in.	8 ft. 5 in. and sits on a capital of 1 ft. & 2 in.	Sinhalese alphabet of 10 <sup>th</sup> century	1-1.5 in	Side A-47 lines, Sides B & C-49 lines Side D-58 lines

Source: *Epigraphia Zeylanica* (Vol. III)

When the King visited *Mahiyangana* temple some merchants-residents of *Hōpitigamu* market town met the sovereign. They complained about illegal and corrupt practices at the market place.<sup>31</sup> In response to those complaints, King and his Royal Council laid down the necessary laws. Side A lines 11- 36 confirm it as follows;

“*Sirisangbo Udā ma-ha-radahu tumā sat lāngu de vana avurudu-yehi Nikini Sa[nd]ava viseniyi Sorabarahi āvū Hōpiṭigumu padiyā vāpāra[ya-]n kud in vat...himiya[n] vahanse Miyagun - ma-ha-vēra vādi kalā -gi-ya davasā- padi lad dananāyakayan gāttan Sataḷosā pirinivīyan (vahanse) davasā kala vāvasthā imkmū annē yen daḍa gat -ha no sirit paḍuru gatta..... Satalosā (vahanse) davasā kala siritak misā anna yen karana dāyak nokaranā sātiyata vāvās [tha] vak liyavā taba [nna] ta vadālen”....*

<sup>28</sup>Goonaratne (2024).

<sup>29</sup>Martino & Codrington (1933).

<sup>30</sup>Ibid.

<sup>31</sup>Tennakoon (2005).

The meaning of the above lines is;

“When the King visited the great monastery of **Miyugun** (Mahiyangana) on the 5<sup>th</sup> day in the month of **Nikini** (July) in the second year of his coronation, merchants and residents of **Hōpitigamu** market town (**Hōpitigumu padiyā vāpāra[ya-Jn** ) complained that the officials in the market town had violated the laws (**vāvasthā** ) of the previous kings, illegally exacted fines (**annā yen daḍa gat**), and obtained presents/bribes contrary to customs (**no sirit paḍuru gatta**). So, King ordered to write down a law (**vāvasthā**) prohibiting everything other than what is to be done in accordance with the customs of the previous kings.”

He ordered the officers in the Secretariat of Royal Council (*sabhāye lēkam gehi sam daruvan*) to engrave the Royal Decree on stone pillars. Side D-lines 42-46 confirm it;

“... *sabhāye lekam geyi daruvan ta kiyā [a] vul haravā ...dun ...yukti [me pahan hindavannat ā]*”

The names of the royal officers who were so directed and their ranks are mentioned in lines 46-58 of Side D.

“... [*Me pahan hindvannat ā]* *sabhāye hindnā Tak-naru Udagi isā Mula [vasa] Sen isā.....-lā varā Mekāppar Maṇi [ti]- la Kiliyem isā... la.. Golabāgama Ni- la devu isā Maṅgul Mahale Samannā Araksamaṇan varā Kuṇḍasalā vat Kāmidevu ütutuvā metuvāk sam daruvan avud [mesam] vatā pahna hi [ndvanu ladi]*”

The names of Royal Officials and their ranks are as follows:

- i. Two members of the Royal Council- **Tak-naru Udagi** and **Mula [vasa] Sen**
- ii. One military officer in the capacity of body guard- **Maṇi [ti]- la Kiliyem**
- iii. One officer of the Royal Treasury- **Golabāgama Ni- la devu**
- iv. Chief Secretary-. **Samannā Araksamaṇan**'s deputy **Kuṇḍasalā vat Kāmidevu**

Some similarities in enacting laws under the monarchical and the present parliamentary system can be observed.<sup>32</sup> King with the Royal Council enacts laws and officials of the Council Secretariat communicate them to the subjects.

#### *The Economic Activities of Hōpitugamu Division*

*Hōpitugamu* division referred to in the BPI is believed to have located in the present Ūva province. BPI side A lines 16-17 refers to it as “**Hōpitugamu padiyā vāpāra[ya]n.**” The early Sinhalese word ‘**vāpāraya**’ means ‘a business entity’. In

<sup>32</sup>In the present parliamentary system, legislature enacts laws. Speaker certifies and parliamentary office sends it to government press for publication.

this sense, it is believed that “*Hōpitugamu padiyū vūpāra[ya]n.*” means a market town where guild of sellers and buyers assembled for trading purposes.

**Table 2.** *Trading Activities Regulated by King Udaya’s Royal Decree*

S/N	Trading Activities Regulated under BPI Law
01	Prohibition of illicit trades and consumer protection <sup>33</sup>
02	Prescribing the instruments to be used for weighing and measuring and prohibition of using non-prescribed instruments
03	Exacting taxes from market place and residents
04	Prescribing places for sale of specific goods
05	Misconduct of royal officers working at the market place

**Table 3.** *Trading Activities Regulated by King Udaya’s Royal Decree*

S/N	Trading Activities Regulated under BPI Law
01	Prohibition of trading on <i>Pōya</i> days ( Full moon days)
02	Prohibition to seize bulls entering the village carrying commodities,
03	Banning of robbing commodities while they are being brought to the market
04	Assessment and imposing of fines
05	Settlement of trade disputes by arbitration

### Comparison of Laws in the BPI with Modern Laws

When the BPI laws governing the above matters are analysed from modern legal perspectives, the equivalent modern legal subjects and legislations can be identified as given in Tables 4-6 below.

**Table 4.** *Comparison of Laws in BPI with Modern Sale of Goods, Weighing & Measuring & Tax Laws*

S/ No	Subject-matter in BPI Law	Equivalent Modern Legal Areas	Equivalent Modern Legislations
01	Prohibition of illicit trades	Sale of Goods & Consumer Protection	Sale of Goods Ordinance No. 11 of 1896 & Consumer Affairs Authority Act No. 9 of 2003
02	Prescribing the instruments to be used for weighing and measuring and prohibition of using non-prescribed instruments	Law relating to weighing and measuring goods	Measurement Units, Standards and Services Act No. 35 of 1995

<sup>33</sup>Ucaryilmaz (2021).

03	Exacting taxes from market place and residents	Tax Law	Value Added Tax Act No. 14 of 2002
04	Prescribing places for sale of specific goods	Sale of goods & Consumer Protection	Sale of Goods Ordinance No. 11 of 1896 & Consumer Affairs Authority Act No. 9 of 2003

**Table 5.** Comparison of BPI Laws on Holidays, Crimes and Carriage of Goods with Equivalent Modern Laws

S/ No	Subject-matter in BPI Law	Equivalent Modern Legal Area	Equivalent Modern Legislations
01	Prohibition of trading on <i>Pōya</i> days (Full moon days)	Public Holiday Laws	Holidays Act No. 29 of 1971
02	Banning of robbing commodities while they are being brought to the market	Penal laws- the offence of robbery	Penal Code No. 2 of 18183
03	Prohibition to seize pack bulls entering the village carrying commodities	Carriage of goods	Sale of Goods Ordinance No. 11 of 1896, Vehicles Act No. 60 of 1961, Animal Act No. 29 of 1958, Prevention of Cruelty to Animals Ordinance No. 13 of 1907

**Table 6.** Comparison of BPI Laws on Imposition of Fines, Bribery and Corruption with Equivalent Modern Laws

S/ No	Subject-matter in BPI Law	Equivalent Modern Legal Area	Equivalent Modern Legislations
01	Settlement of trade disputes	Commercial Arbitration	Arbitration Act No. 11 of 1995 <sup>34</sup>
02	Assessment and imposition of fines	Imposition of fines	Increase of Fines Act No. 12 of 2005 and the relevant legislations
03	Misconduct of officers working at marketplace demanding gifts	Bribery and Corruption	Anti –Corruption Act No. 9 of 2023, Bribery Act No. 11 of 1954

The following areas were selected for this analysis due to limitations.

- (a) Sale of goods and consumer protection,
- (b) Weighing and measuring goods available for sale,
- (c) Exacting taxes from market place and residents.

<sup>34</sup>Arbitration is a method of settlement of disputes. Parties are free to decide on the scope of arbitration. See Varga (2021).

## Sale of Goods and Consumer Protection Laws in the BPI and Existing Laws

*Hōpitigamu* is a market town where sellers and buyers used to gather for trading. The desire of any seller is to sell his goods at higher profit-margins. Buyer's expectation is to buy quality goods at affordable prices. So, the competing interests between them lead to frauds. It is the duty of ruler to make laws to regulate their activities. Tables 7 & 8 below provide a comparative analysis of laws on sale of goods and consumer protection in the BPI with the Sri Lankan current laws.

**Table 7.** Comparison of Sale of Goods and Consumer Protection Laws in the BPI with Current Acts Laws

S/N	Relevant Lines in BPI	Meaning of the Relevant Lines	Comparative Principles in Consumer Affairs Authority Act (CAAA) No. 9 of 2003	Relevant Lines in BPI	Meaning the Relevant Lines	Comparative Principles in Sale of Goods Ordinance (SGO) No. 11 of 1896
1	<i>padi vadana badu pere magata gos noganna</i> – Side B Line 49- Side C Line -3	Commodities being brought to the market town should not be taken on the way.  Implication-to be sold at <i>Hōpitigamu</i> market town only.	Section 10 (1) – Authority issues special directions to protect consumers specifying to <b>traders;</b>  (i) The time and <b>the places at which</b> , such goods may be sold;  (ii) Failure to comply with any direction issued shall be guilty of an offence under this Act	<i>Sora veladam no karanu isa..</i> Side Lines 25-26	Do not do false/rogue sale	Section 13-16- Implied conditions and warranties- e.g. (i) Seller has a right to sell.  (ii) Goods is of merchantable quality  (iii) Goods are of fitness to use  (iv) Seller should ensure quiet possession to buyer
2	<i>Sora veladam no karanu isa..</i> Side Lines 25-26	Do not do false/rogue sale	Section 31- falsely represents that goods are of a particular standard, quality or grade, particular style or model			

**Table 8.** Comparison of Sale of Goods and Consumer Protection Laws in the BPI with Current Acts

S/N	Relevant Lines in the BPI	Meaning of the Relevant Lines	Comparative Principles in Consumer Affairs Authority Act (CAAA) No. 9 of 2003	Relevant Lines in the BPI	Meaning of the Relevant Lines	Comparative Principles in Sale of Goods Ordinance (SGO) No. 11 of 1896
2	<i>Su-t badu notānā hindā novikanu isā</i> Lines C 18-19	Taxable commodities should not be sold at improper places	Section 10 (1) – Authority issues special directions to protect consumers specifying 186 manufacturers or traders;	(b) <i>Sa-l no kala manavun no kiranu</i> Lines C-22-23	Commodities which are not for sale, should <b>not be weighed</b>	Section 19-ascertaining intention of the parties on passing title:  Rule 3.- In a contract for sale of specific goods in deliverable state, <b>seller is bound to weigh, measure</b> to ascertain the price; - title does not pass <b>until such act is done and the buyer has notice.</b>
3	<i>..bulat puvak madapaye tabā vikumanu kot isā... no tāna tabā vikka dutuvā radolan haravā gannā isā-</i> Lines C 27-32	(a) Betel and areca nuts should be sold in special sheds  (b) If it is sold at other places Royal Officers remove them	(i) The time and <b>the places at which</b> , such goods may be sold;  (3) Failure to comply with any direction issued shall be guilty of an offence under this Act	(a) <i>Sa-l no kala manā tānā nokiranu isa-</i> Lines C-19-22	Goods not for sale should not <b>be weighed at the proper place</b>	

### Observations and Inferences

#### Law on Sale of Goods and Consumer Protection

Sections 13 to 16 deals with implied conditions and warranties, which means even if there is no written contract sellers are bound by the contractual obligations in those implied terms. So, if seller attempts to sell what is not belonged to him, its amount to false sale. This appears to be the juridical thinking in banning the false sales under BPI.

In SOG contracts, the time of passing seller's title to buyer is crucial. Section 19 contains the Rules for ascertaining intention of them. Accordingly, for sale of specific goods where **seller is bound to weigh, measure, test**, to ascertain price, the title does not pass to buyer **until such act is done**. The rationale behind these rules seems to be similar irrespective of the time gap between King *Udaya's* law

and the modern law. It serves multiple purposes, i.e. to avoid price manipulations, identify goods, maintain quality etc.

It is observed that the concepts behind the BPI rules are similar to the modern laws on consumer protection and sale of goods. Also, the BPI laws prescribe punishment for violation of those rules, similarly the modern trading legislations in Sri Lanka impose penal sanctions on traders when they violate those laws.

### Laws on Weighing and Measuring of Goods in the BPI and Modern Laws

It is a legal requirement in commercial transactions to weigh and measure commodities available for sale. Modern states have laws on weighing and measuring goods in sales. Those laws prescribe the instruments and licensing of them annually.

There has been weighing and measuring system in ancient Sri Lanka.<sup>35</sup> BPI provides strong evidence as shown in Table 9 below.

**Table 9.** Comparison of Laws on Weighing and Measuring of Goods in the BPI and Modern Laws

S/N	Lines in the BPI	Meaning of BPI Lines	Comparative Principles in Measurement Units Standards and Services Act No. 35 of 1995
1	<i>No pātu madadiyen (no yen) no kiranu isā</i> — Lines C-17-18	Weighing should not be done by <i>madadi</i> (i.e. a type of authorized scaling unit) which are not duly stamped	Section 12- The weights and measures specified in the Third Schedule are authorized for use in trade.  Section 19-Prohibition to weigh and measure by instruments which are not stamped by inspectors
2	<i>[gana] lahassen mi sä sesu lahasi yen no mananu isa.</i> Line C-8-10	Commodities should be measured by <i>gana lahassa</i> and not by other <i>lahasu</i> (i.e. <i>measuring unit</i> ) other than the	Do

### Observations and Inferences

It is observed that the modern legislation prescribes the weighing and measuring units for trading purposes. Also, it further provides that such prescribed measuring and weighing units need to get stamped by the inspectors appointed for that purposes.

BPI also lays down the similar principle. It says that the prescribed **weighing unit** is “*madadi*” and it needs to be stamped. If it is not stamped it should not be used for weighing purposes. The prescribed unit for **measuring** is “*gana lahassa.*” It declares that other measuring unit “*sesu lahasu*” should not be used for measuring

<sup>35</sup>Jayawardana (2010).

purposes. So, it is clear that the legal theory and juridical thinking which prevailed some 1500 years ago in the 10<sup>th</sup> century in Sri Lanka seems to be compatible with the modern legal thought.

### Law on Exacting Taxes from Marketplace and Residents in the BPI and Modern Law

In mercantile transactions, parties are required to pay various taxes or tariffs to the government. It is a major source of government income. It is a universal practice irrespective of the nature of government or size of the state. Taxes are of many types, i.e. direct and indirect, import and export, tax on goods and services, value added tax, custom duties etc. There has been a tax system in ancient Sri Lanka.<sup>36</sup> The Tables 10 & 11 below compare the ancient tax law in BPI with current laws.

**Table 10.** Comparison of Tax Laws in the BPI with the Existing Legislations

S/N	Relevant Lines in the BPI	Meaning/ Interpretation of the Relevant Lines	Comparative Principles in the Relevant Current Legislation
1	<i>Satalosa pirinivian vahanseyi dadasä vävasthä se pere-sirü dada ganut misa ani[yä] no karanau isä</i> Lines A-44-B-1	Levying taxes should be done as per former customs and legislation of the previous kings and should not do anything contrary to law	Constitution Article 148- Parliament has full control over public finance.  No tax, rate or any other levy shall be imposed by any local authority or any other public authority, except by or under the authority of a law passed by Parliament or of any existing law.
2	<i>..gam vatä genä ge tirä genä dada no elvanu isä</i> Lines B 6-8	Taxes should not be demanded having the village surrounded or having not verified the house that taxes should be levied.	Value Added Tax Act No. 14 of 2002 Section 83- “taxable activity” means – <b>any activity</b> carried out as a <b>business, trade</b> , profession or vocation other than in the course of employment or every adventure or concern in the nature of a trade
3	<i>Dada gämä hindä e[l] vat misä kudin gämin pitat kotä no genä yanu isä..</i> Lines B 9-12.	Taxes should be demanded within the village without taking villagers out of the village	As per the above Act, every person who engages in taxable activity is required to register and then is liable to pay taxes

<sup>36</sup>Sudharmawathie (2017).

**Table 11.** Comparison of Tax Laws in the BPI with the Existing Legislation

S/N	Relevant Lines in the BPI	Meaning/ Interpretation of the Relevant Lines	Comparative Principles in the Relevant Current Legislation
1	<i>No pirikāpū dadat vālākme no gannā kot isā. lī dadat savāmi ginut misā abu-daruwan vālākme no gannā isā</i> Lines B-13-19	For fines thus not assessed, villages should not put in the <i>valakma</i> -punishment.  Taxes should be imposed only on the chief householder and not his wife or children should be put in the <i>vālākme</i> -punishment	It is a general principle that tax to be paid, should be assessed properly and  wife or children should not be punished for non-payment of taxes.
2	<i>..gam- van badu gāmā vikkā misā genā yet sutvat no gannā isā..</i> Lines C 10-13	Toll should be levied on commodities brought into the village if they are sold within the village.  But if they are only passing through it, tax should not be levied.	Exemption from payment of taxes
3	<i>[no-] pa viki badiyehi dīna sut- vat ganut misā – ākula no karanu isā</i> Lines C 13-16	In the case of those commodities sold without being shown to the authorities double dues should be taken, but no other disturbance should be created.	Penalties for non-payment

### Observations and Inferences

It is observed that some fundamental principles of modern taxation have been introduced by the BPI laws well before the modern tax laws came into being in Sri Lanka. Those principles are; (i) Tax should not be levied arbitrarily,<sup>37</sup> (ii) Taxation should be in accordance with the laws, (iii) The taxable amount has to be assessed in accordance with pre-established criteria by assessors- *pere- siriṭ daḍa ganut misa ani[yā] no karanau*, (iv) Wife and children of the errant trader should not be punished for non-payment of taxes and (v) Exemption from paying taxes and penalties for non-payment etc.

### Overall Conclusion

It is observed from the foregoing analysis that there have been specific laws governing sale of goods, consumer protection, taxation and weighing and measuring units during the reign of King *Udaya IV* who ruled Sri Lanka more than 1570 years ago.

<sup>37</sup>Du Preez (2018).

So, the conceptual and procedural similarities in the ancient and the modern laws appear to be remarkable in the areas of sale of goods, consumer protection, weighing and measuring laws and taxation.

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