**THE GAZETTE OF THE DEMOCRATIC SOCIALIST REPUBLIC OF**   
**SRI LANKA**

**Part II of November 15, 2019**

**SUPPLEMENT**

(*Issued on 19. 11. 2019*)



**INLAND REVENUE (AMENDMENT)**

**A**

**BILL**

**to amend the Inland Revenue Act, No. 24 of 2017**

*Ordered to be published by the Minister of Finance*

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*STATEMENT OF LEGAL EFFECT*   
 *Clause 2* ***:***This clause amends section 5 of the Inland Revenue Act, No. 24 of 2017 (hereinafter referred to as the “principal enactment”), and the legal effect of the section as amended is to exempt contributions made by an employer to a gratuity fund when calculating an individual’s gains and profits from an employment.

*Clause 3***:** This clause amends section 6 of the principal enactment, and the legal effect of the section as amended is to expand the categories of businesses in respect of which investment incentives and temporary concessions may be given.

*Clause 4* ***:***This clause amends section 10 of the principal enactment, and the legal effect of the section as amended is to disallow the tax paid by the employer on behalf of the employee, as a deduction.

*Clause 5* ***:***This clause amends section 14 of the principal enactment for the purpose of clarity.

*Clause 6* ***:***This clause amends section 16 of the principal enactment for the purpose of clarity.

*Clause 7* ***:***This clause amends section 18 of the principal enactment, and the legal effect of the section as amended is to specify the deductible amount of financial cost of a company.

*Clause 8* ***:*** This clause amends section 19 of the principal enactment, and the legal effect of the section as amended is to disallow the deduction of any loss from a gain of an investment asset.

*Clause 9* ***:*** This clause amends section 20 of the principal enactment, and the legal effect of the section as amended is to make provisions to enable a trust or company to change its year of assessment.

*Clause 10* ***:***This clause amends section 68 of the principal enactment, and the legal effect of the section as amended is to make provisions to require a non-governmental organization to pay a specified additional tax.

*Clause 11* ***:*** This clause amends section 70 of the principal enactment for the purpose of clarity.

*Clause 12* ***:***This clause amends section 84 of the principal enactment for the purpose of clarity.

*Clause 13* ***:*** This clause amends section 85 of the principal enactment, and the legal effect of the section as amended is to exclude the service fees and contract payments from the withholding tax liability, if a certificate is presented confirming the making of relevant payments.

*Clause 14* ***:*** This clause amends section 87 of the principal enactment, and the legal effect of the section as amended is to extend the period within which the withholding certificate shall be served on the withholdee.

*Clause 15* ***:***This clause amends section 88 of the principal enactment for the purpose of clarity.

*Clause 16* ***:***This clause amends section 129 of the principal enactment, and the legal effect of the section as amended is to require a person to file a return of information or annual statement.

*Clause 17* ***:***This clause amends section 139 of the principal enactment, and the legal effect of the section as amended is to require the furnishing of a return or annual statement when an objection is made against an assessment.

*Clause 18* ***:***This clause amends section 195 of the principal enactment, and the legal effect of the section as amended is to broaden the definition of the term “agricultural businesses”.

*Clause 19* ***:***This clause amends the First Schedule to the principal enactment, and the legal effect of the Schedule as amended is to-  
 (*a*) limit the relevant income tax liability to businesses engaged in manufacture or import and sale of any liquor or tobacco product; and   
 (*b*) specify a rate of tax in relation to payment of royalty.

*Clause 20* ***:*** This clause amends the Second Schedule to the principal enactment, and the legal effect of the Schedule as amended is to-  
 (*a*) provide for granting enhanced capital allowances to persons who invest in new businesses as well as in the expansion of an existing business; and   
 (*b*) provide for the exemption of certain employment income from the Withholding Tax.

*Clause 21* ***:*** This clause amends the Third Schedule to the principal enactment, and the legal effect of the Schedule as amended is to grant tax exemptions on-  
 (*a*) interest accruing to or derived by charitable institutions that provide care to children, the elderly or the disabled;   
 (*b*) a sum of money received by any person from the President’s Fund or the National Defence Fund or by any Public Corporation from the Consolidated Fund or out of any loan arranged through the Government;   
 (*c*) income earned by a resident or non-resident on sovereign bonds issued by or on behalf the Government;   
 (*d*) dividends paid by certain resident companies under specified circumstances and by other companies engaged in specified businesses.

*Clause 22* ***:*** This clause amends the Fifth Schedule to the principal enactment, and the legal effect of the Schedule as amended is to expand the scope of the qualifying payments and reliefs.

*Clause 23* ***:***This clause amends the Sixth Schedule to the principal enactment, and the legal effect of the Schedule as amended is to expand the scope of temporary concessions.

*Clause 24* ***:***This clause makes provisions to give retrospective effect to certain amendments made to the principal enactment.

|  |  |
| --- | --- |
| *Inland Revenue (Amendment)* | 1 |

L.D.—O. 19/2018

AN ACTTOAMENDTHE INLAND REVENUE ACT, NO. 24 OF 2017

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:–

|  |  |  |
| --- | --- | --- |
| **1.** | This Act may be cited as the Inland Revenue | Short title. |

(Amendment) Act, No. of 2019.

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | **2.** | Section 5 of the Inland Revenue Act, No. 24 of 2017 | Amendment |
| (hereinafter referred to as the “principal enactment”) is | | of section 5 |
| of the Inland |
| hereby amended in subsection (3) of that section as follows:– | |
| Revenue Act, |

No. 24 of

|  |  |
| --- | --- |
| (1) in paragraph (*c*) of that subsection, by the substitution | 2017. |

for the words “on equal terms;” of the words “in the same 10 grade of the service, on equal terms;”;

(2) in paragraph (*f*) of that subsection, by the substitution for the words “provident or savings fund or savings society”of the words “provident, gratuity or savings fund or savings society”.

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | **3.** | Section 6 of the principal enactment is hereby | Amendment |
| amended in paragraph (*d*) of subsection (2) of that section, | | of section 6 |
| of the |
| by the substitution for the words “the Second or Fourth | |
| principal |
| Schedule to this Act”, of the words “the Second, Fourth or | | enactment. |

Sixth Schedule to this Act”.

|  |  |  |  |
| --- | --- | --- | --- |
| 20 | **4.** | Section 10 of the principal enactment is hereby | Amendment |
| amended as follows:– | | of section 10 |
| of the |

principal (1) in paragraph (*b*) of subsection (1) of that section– enactment.

(*a*) in subparagraph (v) of that paragraph, by the   
 substitution for the words “provident or

2 *Inland Revenue (Amendment)*

savings fund” of the words “provident,   
gratuity or savings fund”;

(*b*) in subparagraph (ix) of that paragraph, by   
 the substitution for the words “betting or

|  |  |  |
| --- | --- | --- |
| 5 | (*c*) | gambling; or” of the words “betting or |
| gambling;”; |
| in subparagraph (x) of that paragraph, by |

the substitution for the words “by the   
Commissioner-General.” of the words “by the

|  |  |  |
| --- | --- | --- |
| 10 | (*d*) | Commissioner-General;”; and |
| by the addition immediately after |

subparagraph (x) of that paragraph, of the   
following new subparagraph:–

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | (2) | “(xi) | the total amount of tax paid by |
| the employer on behalf of the | |
| employee.”; | |
| in subsection (2) of that section, by the substitution | |

for the words “shall not be allowed” of the words  
“shall not be allowed where the tax is not withheld

|  |  |  |  |
| --- | --- | --- | --- |
| 20 | or”. | | Amendment |
| **5.** | Section 14 of the principal enactment is hereby |
| 25 | amended in subsection (3) of that section, by the substitution | | of section 14 |
| of the |
| for the words and figure “(paragraph (3) of the Fourth | |
| principal |
| Schedule)”, of the words and figure “(paragraph 3 of the | |
| enactment. |
| Fourth Schedule)”. | |
| 30 | **6.** | Section 16 of the principal enactment is hereby | Amendment |
| amended as follows:– | | of section 16 |
| of the |
| (1) | in paragraph (*b*) of subsection (2) of that section, | principal |
| enactment. |
| by the substitution for the words “the Second or | |
| Fourth Schedule to this Act.” of the words “the | |

Second, Fourth or Sixth Schedule to this Act.”;

*Inland Revenue (Amendment)*  3

(2) in subsection (4) of that section, by the repeal   
 of paragraph (*b*) of that subsection and the   
 substitution therefor of the following paragraph:–

|  |  |  |
| --- | --- | --- |
| 5 | “(*b*) | calculated in accordance with the |
| provisions of the Second, Fourth or |

Sixth Schedule to this Act.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 10 | **7.** | Section 18 of the principal enactment is hereby | Amendment |
| amended in subsection (1) of that section, by the | | of section 18 |
| of the |
| substitution for the words “in calculating an entity’s | |
| principal |
| income,” of the words “in calculating a company’s income,”. | |
| enactment. |
| 15 | **8.** | Section 19 of the principal enactment is hereby | Amendment |
| amended in subsection (5) of that section, by the substitution | | of section 19 |
| of the |
| for the words “reduced by any loss on the disposal of another | |
| principal |
| investment asset.”, of the words “reduced by any loss.”. | |
| enactment. |
| **9.** | Section 20 of the principal enactment is hereby | Amendment |
| amendedas follows:-– | | of section 20 |
| of the |
| (1) | in subsection (2) of that section, by the substitution | principal |
| enactment. |
| for the words “its year of assessment” of the words | |

“the period of twelve months constituting a year of

|  |  |  |
| --- | --- | --- |
| 20 | (2) | assessment”; |
| in subsection (3) of that section, by the substitution |

for the words “in a trust or company’s year of   
assessment shall”, of the words and the figure  
“approved under subsection (2) shall not”.

|  |  |  |  |
| --- | --- | --- | --- |
| 25 | **10.** | Section 68 of the principal enactment is hereby | Amendment |
| amended in subsection (1) of that section, by the substitution | | of section 68 |
| of the |
| for the words “additional tax of three *percent* on amounts” | |
| principal |
| of the words “additional tax on three *percent* of amounts”. | |
| 30 | enactment. |
| **11.** | Section 70 of the principal enactment is hereby | Amendment |
| amended in subsection (1) of that section, by the | | of section 70 |
| of the |
| substitution for the words and figures “paragraph (*c*) of | |
| principal |
| subsection (1) of section 69,” of the words and figures | |
| enactment. |
| “paragraph (*b*) of subsection (1) of section 69,”. | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 5 | 4 | *Inland Revenue (Amendment)* | | Amendment |
| **12.** | Section 84 of the principal enactment is hereby | |
| amended in paragraph (*c*) of subsection (3) of that section, | | | of section 84 |
| of the |
| by the substitution for the words “provided by it; or” of the | | |
| principal |
| words “provided by it;”. | | | enactment. |
| **13.** Section 85 of the principal enactment is hereby | | | Amendment |
| 10 | amended in subsection (3) of that section, by the repeal of | | | of section 85 |
| of the |
| paragraph (*d*) of that subsection and the substitution therefor | | |
| principal |
| of the following paragraph:– | | | enactment. |
| “(*d*) | | payments of service fees and contract payments |
| in respect of which a certificate is presented by | | |

the recipient person confirming that the   
payments which are chargeable with the   
Economic Service Charge under the Economic   
Service Charge Act, No. 13 of 2006 have been

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | paid.”. | | Amendment |
| **14.** | Section 87 of the principal enactment is hereby |
| 20 | amended in paragraph (*b*) of subsection (4) of that section, | | of section 87 |
| of the |
| by the substitution for the words “of that year or,” of the | |
| principal |
| words “of the subsequent year or,”. | | enactment. |
| **15.** Section 88 of the principal enactment is hereby | | Amendment |
| amended as follows:– | | of section 88 |
| of the |

principal

|  |  |  |
| --- | --- | --- |
| (1) | in paragraph (*d*) of subsection (1) of that section, by | enactment. |

the substitution for the words and figures

|  |  |
| --- | --- |
| 25 | “paragraph (*b*) of subsection (2) of section 84” of the words and figures “paragraph (*b*) of subsection |

(3) of section 84”;

(2) in subsection (3) of that section, by the substitution for the words and figures “paragraph (*b*) of subsection (2) of section 84”, of the words and figures 30 “paragraph (*b*) of subsection (3) of section 84”.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 5 | *Inland Revenue (Amendment)* | | 5 | Amendment |
| **16**. | Section 129 of the principal enactment is hereby | |
| amended by the substitution for the words “to file a return of | | | of section |
| information related to matters”, of the word**s** “to file a return | | | 129 of the |
| principal |
| of information or annual statement”. | | |
| enactment. |
| **17.** | Section 139 of the principal enactment is hereby | | Amendment |
| 10 | amended by the repeal of subsection (3) of that section and | | | of section |
| 139 of the |
| the substitution therefor of the following subsection:– | | |
| principal |
| “(3) Where the request is an objection against | | | enactment. |
| an assessment which has been made in the absence | | |
| of a return or annual statement required to be made, | | |

the notice of request relating to the objection shall   
be sent together with a return or annual statement   
duly made, as the case may be.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | **18.** | Section 195 of the principal enactment is hereby | Amendment |
| amended in subsection (1) of that section as follows:– | | of section |
| (1) | by the substitution, for the definition of | 195 of the |
| principal |
| enactment. |
| the expression “agricultural business” of that | |

subsection, of the following definition:–

|  |  |
| --- | --- |
| 20 | “ “agricultural business” means, the business of producing any agricultural, horticultural or |

animal produce and includes–

(*a*) an undertaking for the cleaning, sizing,   
 sorting, grading, chilling, dehydrating,

|  |  |
| --- | --- |
| 25 | packaging, cutting or canning for the purpose of preparation of such |

agricultural, horticultural or animal   
produce for the market; and

(*b*) an undertaking for the purpose of   
 rearing livestock or poultry;”;

|  |  |  |
| --- | --- | --- |
| 30 | (2) | in paragraph (*a*) of the definition of the expression |
| “dividend”, by the substitution for the words “share |

buy-back”, of the words “share buy-back”.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 5 | 6 | *Inland Revenue (Amendment)* | | | Amendment |
| **19.** | The First Schedule to the principal enactment is | | |
| hereby amended as follows:– | | | | of the First |
| Schedule to |
| (1) | in paragraph 1 of that Schedule– | | | the principal |
| enactment. |
| (*a*) | | in subparagraph (3) of that paragraph– | |
| (i) | | | by the substitution for the words and |

the figure, “referred to in subparagraph   
(2) shall be-”, of the words and the   
figure “referred to in item (*b*) of   
subparagraph (2) shall be–”;

|  |  |  |
| --- | --- | --- |
| 10 | (ii) | in item (*c*) of that subparagraph, by the |

substitution for the words “by the   
employer;” of the words “by the   
employer; and”;

|  |  |  |
| --- | --- | --- |
| 15 | (iii) | by the repeal of items (*d*) and (*e*) of |
| (iv) | that subparagraph; and |
| by the re-lettering of item (*f*) of that |

subparagraph, as item (*d*) thereof;

|  |  |  |
| --- | --- | --- |
| 20 | (*b*) | in subparagraph (4) of that paragraph, by the |
| substitution for the words “liquor or |
| tobacco.”, of the words “manufacture and |

sale or import and sale of any liquor or tobacco   
product.”;

|  |  |  |
| --- | --- | --- |
| 25 | (2) | in item (iii) of subparagraph (3) of paragraph 4 of |
| that Schedule, by the substitution for the words |
| “based on gross income”, of the words “based on |

gross income (other than investment income) of   
the business.”;

(3) in the heading of paragraph 8 of that Schedule, by the substitution for the words “Provident or 30 Pension Funds” of the words “Provident, Pension or Gratuity Funds”;

*Inland Revenue (Amendment)*  7

(4) in subparagraph (1)(*b*) of paragraph 10 of that   
 Schedule-

(*a*) in item (iii) of that subparagraph, by the substitution for the words and figures 5 “rent paid to a resident person–10%; and”, of the words and figures “rent paid to a resident person–10%, if the rent exceeds Rs. 50,000 per month or Rs. 500,000 per year of assessment;”;

|  |  |  |
| --- | --- | --- |
| 10 | (*b*) | by the insertion immediately after item (iii) |

of that subparagraph, of the following new   
item:–

|  |  |  |
| --- | --- | --- |
| 15 | “(iv) | in the case of royalty paid to a |
| resident person–14% if the |
| payment exceeds Rs. 50,000 per |

month or Rs. 500,000 per year of   
assessment; and”; and

(*c*) by the renumbering of item (iv) of that   
 subparagraph, as item (v) thereof.

|  |  |  |  |
| --- | --- | --- | --- |
| 20 | **20.** | The Second Schedule to the principal enactment is | Amendment |
| hereby amended as follows:– | | of the |
| Second |
| (1) | in paragraph 1 of that Schedule, by the repeal of | Schedule to |
| the principal |
| subparagraph (1) and the substitution therefor of | | enactment. |

the following subparagraph:–

25 “(1) Enhanced capital allowances computed in accordance with this paragraph shall be granted–

(*a*) in addition to the capital allowances computed under the Fourth Schedule, to a 30 person who invests in Sri Lanka (other than the expansion of an existing business), during a year of assessment;

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(*b*) instead of the capital allowances computed   
 under the Fourth Schedule, to a person   
 who invests in Sri Lanka for the expansion   
 of an existing business, during a year of

|  |  |  |
| --- | --- | --- |
| 5 | (2) | assessment.”; |
| by the repeal of paragraph 3 of that Schedule, and |

the substitution therefor of the following   
paragraph:–

“**Exemption of Employment Income from** 10 **Withholding Tax**

3.Notwithstanding anything in the First Schedule, the rate of tax to be withheld from a payment made by an employer to an expatriate employee shall be zero, if the company making 15 the payment has incurred more than USD 1,000 million on depreciable assets other than intangible assets in Sri Lanka or is entitled to an enhanced capital allowance under subparagraph (5) of paragraph 1, and that payment is made out

|  |  |
| --- | --- |
| 20 | of profits sheltered by enhanced capital allowances under this Schedule, where the |

number of expatriate employees does not exceed   
twenty.”.

|  |  |  |  |
| --- | --- | --- | --- |
| 25 | **21.** | The Third Schedule to the principal enactment is | Amendment |
| hereby amended as follows:– | | of the Third |
| Schedule to |
| (1) | in paragraph (*a*) of that Schedule, by the addition | the principal |
| enactment. |
| immediately after subparagraph (vii) of that | |

paragraph, of the following:–

“Provided, however, that the exemption under

30 this paragraph shall not apply to–

(i) the gains and profits from dividends or   
 interest of any institution other than

*Inland Revenue (Amendment)*  9

institutions specified in subparagraph (i)   
and subparagraph (ii); and

(ii) in the case of institutions specified in   
 subparagraph (i) and subparagraph (ii),

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 5 | any | amount | disallowable | under |
| subparagraph (xi) of paragraph (*b*) of | | | |

subsection (1) of section 10;”;

(2) in subparagraph (ii) of paragraph (*d*) of that   
 Schedule, by the substitution for the words “by the

|  |  |
| --- | --- |
| 10 | Commissioner-General;”, of the words “by the Commissioner-General or a regulated provident |

fund;”;

(3) by the repeal of paragraph (*i*) of that Schedule and   
 the substitution therefor of the following:–

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | “*(i*) | the interest accruing to or derived by– | |
| (i) | a charitable institution, where it is |

proved to the satisfaction of the   
Commissioner-General that such   
interest is applied solely for the

|  |  |
| --- | --- |
| 20 | purpose of providing care to children, the elderly or the disabled |

in a home maintained by such   
charitable institution;

|  |  |  |
| --- | --- | --- |
| 25 | (ii) | any person outside Sri Lanka on any |
| loan granted to any person in |

Sri Lanka or to the Government of   
Sri Lanka by such person, other than   
on any loan granted to its holding   
company or a subsidiary company

|  |  |  |
| --- | --- | --- |
| 30 | (iii) | in Sri Lanka; |
| any person on moneys lying to his |

credit in foreign currency in any   
foreign currency account opened by

10 *Inland Revenue (Amendment)*

him or on his behalf, in any   
commercial bank or in any   
specialized bank, with the approval   
of the Central Bank of Sri Lanka, for

|  |  |  |
| --- | --- | --- |
| 5 | (iv) | a period of five years commencing |
| from July 1, 2019; |
| any child who is a citizen of Sri |

Lanka and resident in Sri Lanka and

|  |  |
| --- | --- |
| 10 | who is less than 18 years old on the first day of the year of assessment, |

up to five thousand rupees per month,   
from any deposit maintained in any   
financial institution authorized   
by the Central Bank of Sri Lanka

|  |  |
| --- | --- |
| 15 | to accept deposits from the general public or any registered society |

within the meaning of the   
Co-operative Societies Law, No. 5   
of 1972;”;

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 20 | (4) | by the repeal of paragraph *(k)* of that Schedule, and | | |
| 25 | the substitution therefor of the following:– | | |
| “(*k*) | any sum received by– | |
| (i) | | any person from the President’s Fund |
| established by the President’s | | |
| Fund Act, No. 7 of 1978 or the | | |

National Defence Fund established   
by the National Defence Fund   
Act, No. 9 of 1985;

|  |  |  |
| --- | --- | --- |
| 30 | (ii) | any Public Corporation out of the |
| funds voted by Parliament from |

the Consolidated Fund or out of   
any loan arranged through the   
Government;”;

*Inland Revenue (Amendment)*  11

(5) by the repeal of paragraph *(l)* of that Schedule, and   
 the substitution therefor of the following:–

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | “(*l*) | any income earned by– | |
| (i) | any non-resident person other |
| than a Sri Lankan permanent | |

establishment by way of interest,   
discount or realization of any gain   
on any sovereign bond denominated   
in local or foreign currency;

|  |  |  |
| --- | --- | --- |
| 10 | (ii) | any resident person by way of |

interest or discount paid or allowed,   
as the case may be, on any sovereign   
bond denominated in foreign   
currency, including Sri Lanka

15 Development Bonds,

issued by or on behalf of the Government   
of Sri Lanka;”;

(6) by the repeal of paragraph *(o)* of that Schedule, and   
 the substitution therefor of the following:–

|  |  |  |  |
| --- | --- | --- | --- |
| 20 | “(*o*) | a dividend paid by– | |
| (i) | a resident company to a member to |

the extent that dividend payment is   
attributable to, or derived from,   
another dividend received by that

|  |  |
| --- | --- |
| 25 | resident company or another resident company that was subject |

to withholding under section 84;

(ii) any company engaged in any one or more of the following businesses in 30 accordance with the provisions of Part IV of the Finance Act, No. 12 of

12 *Inland Revenue (Amendment)*

2012 and which has entered into an agreement with the Board of Investment of Sri Lanka established under the Board of Investment of Sri 5 Lanka Law No. 4 of 1978:–

(ii*a*) entrepot trade involving   
 import, minor processing and   
 re-export;

|  |  |  |
| --- | --- | --- |
| 10 | (ii*b*) | offshore business where |
| goods can be procured from |

one country or manufactured   
in one country and shipped   
to another country without   
bringing the same into

|  |  |  |
| --- | --- | --- |
| 15 | (ii*c*) | Sri Lanka; |
| providing front-end services |

to clients abroad;

(ii*d*) headquarters operations of leading buyers for 20 management of financial supply chain and billing operations;

|  |  |  |
| --- | --- | --- |
| 25 | (ii*e*) | logistics services including |
| bonded warehouse or multi- |
| country consolidation in |

Sri Lanka;”.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 30 | **22.** The Fifth Schedule to the principal enactment is | | | Amendment |
| hereby amended as follows:– | | | of the Fifth |
| Schedule to |
| (1) | in paragraph 1 of that Schedule– | | the principal |
| enactment. |
| (*a*) | | in item (*iia*) of subparagraph (*a*) of that |

paragraph, by the substitution for the words

*Inland Revenue (Amendment)*  13

“the taxable income”, of the words “the   
assessable income”;

|  |  |  |
| --- | --- | --- |
| 5 | (*b*) | in item (*iib*) of subparagraph (*a*) of that |
| paragraph, by the substitution for the words |
| “the taxable income”, of the words “the |

assessable income”;

(*c*) in subparagraph (*c*) of that paragraph, by the substitution for the words “profits remitted to the President’s Fund”, of the words “any 10 sum paid to the Consolidated Fund or to the President Fund”;

(2) in subparagraph (*e*) of paragraph 2 of that   
 Schedule, by the substitution for the words “foreign

|  |  |  |  |
| --- | --- | --- | --- |
| 15 | currency in Sri Lanka,”, of the words “foreign | | Amendment |
| currency and remitted to Sri Lanka through a bank,”. | |
| **23.** The Sixth Schedule to the principal enactment is | |
| hereby amended as follows:– | | of the Sixth |
| Schedule to |
| (1) | in paragraph 1 of that Schedule, by the repeal of | the principal |
| enactment. |

subparagraph (1) of that paragraph and the

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 20 | substitution | therefor | of | the | following |

subparagraph:–

“(1) Enhanced capital allowances on depreciable assets referred to in subparagraph (4), computed in accordance with this paragraph 25 shall be granted–

(*a*) in addition to the capital allowances computed under the Fourth Schedule, to a person who invests in Sri Lanka (other than the expansion of an existing 30 business), during a year of assessment;

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(*b*) instead of the capital allowances   
 computed under the Fourth Schedule,   
 to a person who invests in Sri Lanka for   
 the expansion of an existing business,

|  |  |  |  |
| --- | --- | --- | --- |
| 5 | (2) | during a year of assessment.”; | |
| in subparagraph (1) of paragraph 5 of that Schedule– | |
| (*a*) | in item (*a*) of that subparagraph, by the |

substitution for the words “within the   
meaning of the First Schedule;” of the

|  |  |  |
| --- | --- | --- |
| 10 | (*b*) | words “within the meaning of the First |
| Schedule; and”; |
| by the repeal of item (*b*) of that |

subparagraph; and

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 15 | (*c*) | | by the re-lettering of item (*c*) of that | Retrospective |
| subparagraph**,** as item (*b*) thereof. | | |
| **24.** | The amendments made by section 9 of this Act to | |
| section 20 of the principal enactment and the amendment | | | effect. |

made by section 21 of this Act to paragraph *(i)*(ii) and paragraph (*l*) of the Third Schedule to the principal

|  |  |  |  |
| --- | --- | --- | --- |
| 20 | enactment, shall be deemed, for all purposes, to have come | | Sinhala text |
| into force on April 1, 2018. | |
| **25.** | In the event of any inconsistency between the |
| Sinhala and Tamil texts of this Act, the Sinhala text shall | | to prevail in |
| prevail. | | case of |
| inconsistency. |

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