

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

Part II of March 27, 2015

SUPPLEMENT

(Issued on 30. 03. 2015)



ECONOMIC SERVICE CHARGE (AMENDMENT)

A

BILL

to amend the Economic Service Charge Act, No. 13 of 2006

Ordered to be published by the Minister of Finance

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STATEMENT OF LEGAL EFFECT

Clause 2 : This Clause amends section 3 of the Economic Service Charge Act, No. 13 of 2006 (hereinafter referred to as the “principal enactment”) and the legal effect of the section as amended is to allow the bank, finance company or leasing company acquires or merges with the business of any other bank, finance company or leasing company to deduct the service charge levied from the income tax payable.

Clause 3 : This Clause amends section 5 of the principal enactment and is consequential to section 6 of this Act.

Clause 4 : This Clause amends section 7 of the principal enactment and is consequential to section 6 of this Act.

Clause 5 : This Clause amends section 9 of the principal enactment and is consequential to section 6 of this Act.

Clause 6 : This Clause inserts new section 10B to the principal enactment and the legal effect will be to authorize or facilitate the use of electronic communications or electronic records.

Clause 7 : This Clause amends section 13 of the principal enactment and the legal effect of the section as amended is to exempt Lak Sathosa Limited from the service charge.

Economic Service Charge (Amendment)

L.D.—O. 13/2015

AN ACT TO AMEND THE ECONOMIC SERVICE CHARGE
ACT, NO. 13 OF 2006

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

1. (1) This Act may be cited as the Economic Service Charge (Amendment) Act, No. 13 of 2015. Short title
and date of
operation.

5 (2) The provisions of this Act other than sections 3, 4, 5
and 7 shall come into operation on April 1, 2015 and the
provisions of sections 3, 4 and 5 of this Act shall come into
operation on such date as the Minister may appoint by Order
published in the *Gazette*. The provisions of section 7 shall
10 be deemed to have come into operation on April 1, 2011.

2. Section 3 of the Economic Service Charge Act, No. 13 of 2006 (hereinafter referred to as the “principal enactment”) as last amended by Act, No.9 of 2014 is hereby further amended by the insertion, immediately after subsection (3A) Amendment
of section 3
of Act, No.
13 of 2006.
15 of that section, of the following new subsection-

“(3B) Where any commercial bank or specialized
bank licensed under the Banking Act, No. 30 of 1988,
finance company licensed under the Finance Business
Act, No. 42 of 2011 or leasing company registered
20 under the Finance Leasing Act, No. 56 of 2000, acquires
or merges with the business of any other bank, finance
company or leasing company under the Financial
Sector Consolidation Process of the Central Bank of
Sri Lanka and there remains any balance of service
25 charge paid by such banks, finance companies or
leasing companies after the deduction from the income
tax payable in that year of acquisition or merger and
which is entitled to be carried forward and deducted
from income tax payable by such banks, finance
30 companies or leasing companies, then such balance

shall be deductible from the income tax payable by such bank, finance company or leasing company that acquired the business or with which the other bank, finance company or leasing company merged, as if the
5 same bank, finance company or leasing company were continuing to carry on the business.”.

3. Section 5 of the principal enactment is hereby amended, by the substitution for the words “by communication in writing addressed to the Commissioner
10 General”, of the words “by communication in writing addressed to the Commissioner General or by electronic communication to the Commissioner General”.

Amendment of section 5 of the principal enactment.

4. Section 7 of the principal enactment as last amended by Act, No. 11 of 2011 is hereby amended in subsection (1)
15 of that section, by the substitution for the words “furnish to an Assessor”, of the words “furnish or submit electronically to an Assessor”.

Amendment of section 7 of the principal enactment.

5. Section 9 of the principal enactment as last amended by Act, No. 9 of 2014 is hereby amended in subsection (1) of
20 that section, by the substitution for the words “by notice in writing require”, of the words “by notice in writing require or by notice in electronic communication require”.

Amendment of section 9 of the principal enactment.

6. The following new section is hereby inserted immediately after section 10A of the principal enactment
25 and shall have effect as section 10B of that enactment :-

Insertion of new section 10B in the principal enactment.

”The use of electronic communications or electronic records.
30 10B. The Minister may, on the recommendation of the Commissioner General of Inland Revenue, make regulation for the purposes of authorizing or facilitating the use of electronic communications or electronic records for matters specified in section 8 of the Electronic Transactions Act, No. 19 of 2006.”.

7. Section 13 of the principal enactment as last amended by Act, No. 6 of 2013 is hereby further amended in the definition of the expression “person” as follows:-

Amendment
of section 13
of the
principal
enactment.

5 (1) in paragraph (f) by the substitution for the words
“Unit Trust or Mutual Fund; and”, of the words
“Unit Trust or Mutual Fund; ”;

(2) in paragraph (g) by the substitution for the words
“the Central Bank of Sri Lanka;”, of the words “the
Central Bank of Sri Lanka; and”; and

10 (3) by the addition immediately after paragraph (g), of
the following new paragraph:-”

(h) Lak Sathosa Limited registered under the
Companies Act, No. 7 of 2007 (effective from
April 1, 2011).”.

15 8. In the event of any inconsistency between the Sinhala
and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text
to prevail in
case of
inconsistency.

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