



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

COMPANIES (AMENDMENT)

A

BILL

to amend the Companies Act, No. 7 of 2007

*Presented by the Prime Minister and Minister of Buddha Sasana and
Religious Affairs on 21st March, 2014*

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[Bill No. 298]

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STATEMENT OF LEGAL EFFECT

Clause 2 : This Clause replaces the section 132 of the Companies Act, No. 7 of 2007 and the legal effect of the section as replace is to enlarge the procedure to be followed by any private company when submitting the annual return of the company, to the Registrar of Companies and to notify the Registrar of Companies when submitting the annual return or before effecting the winding up of any company or change of status or similar situation as specified in the Act such winding up or change if any.

Clause 3 : This Clause amends item 2(b) and 2(d) of the Ninth Schedule in order to increase the selection period by the Commissioner-General of Inland Revenue for claims in respect of debts regarding Income Tax and Value Added Tax respectively to be made to the liquidator.

Clause 4 : The legal effect of this section is to introduce a definition for the term Commissioner-General of Inland Revenue.

Companies (Amendment)

L.D.—O. 11/2014.

AN ACT TO AMEND THE COMPANIES
ACT, NO. 7 OF 2007

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

1. This Act may be cited as the Companies (Amendment) Short title.
Act, No. of 2014 as follows :—

5 2. Section 132 of the Companies Act, No. 7 of 2007 Amendment
(hereinafter referred to as the “principal enactment”) is hereby of section
amended by the repeal of that section and the substitution 132 of the
therefore of the following new section :— Companies
Act, No.7 of
2007.

10 “Declaration 132. (1) Every private company shall
and transmit to the Registrar with it’s annual
certificates to return—
be sent by
every private
company
with the
annual
return.

15 (a) a declaration signed by the directors of
the company to the effect that to the
best of their knowledge and belief, they
have complied with the requirements
of the principal enactment ;

(b) a certificate signed by a director and
the secretary of the company—

20 (i) confirming that the company
has not since the date of the last
return or in the case of a first
return, since the date of the
incorporation of the company,
as the case may be, issued any
25 invitation to the public to
subscribe for any shares or
debentures of the company ;

(ii) where the annual return discloses the fact that the number of shareholders of the company exceeds fifty, and such excess consists wholly of persons not included under section 27 in relation to that limit imposed under that section ;

(c) a certificate issued by the Commissioner-General of Inland Revenue confirming that the company has fulfilled the requirements specified in section 106 of the Inland Revenue Act, No. 10 of 2006.

(2) (a) Subject to section 131 every private company shall with the annual return of such company, or any time prior to the winding up of such company or change of status or a similar situation specified in this Act, notify in writing to the Registrar in the manner prescribed any such winding up or change if any to be taken place.

(b) It shall be the duty of the Registrar to transmit a copy of such notice to the Commissioner-General of Inland Revenue.

For the purposes of this Section—

“Similar situation” means and arrangement, amalgamation merger or compromise as specified in the Act.”.

3. The item 2 of the Ninth Schedule to the principal enactment is hereby amended as follows :—

Amendment
of Ninth
Schedule to
the principal
enactment.

5 (1) in paragraph (b), by the substitution for the words “chargeable for one complete year prior to the commencement of the liquidation, that year to be selected” of the words “chargeable for five complete years prior to the commencement of the liquidation, that five year period to be selected”;

10 (2) in paragraph (d), by the repeal of that paragraph and substitution therefor of the following new paragraph :—

15 “(d) value added tax charged or chargeable for taxable periods within five year period prior to the commencement of the liquidation, such taxable periods to be selected by the Commissioner-General of Inland Revenue in accordance with the provisions of the Value Added Tax Act, No. 14 of 2002;”.

20 4. Section 529 of the principal enactment is hereby amended by the insertion immediately after the definition of the expression “class” of the following definition :—

Amendment
of section
529 of the
principal
enactment.

25 “Commissioner-General of Inland Revenue” means the Commissioner-General of Inland Revenue appointed under section 208 of the Inland Revenue Act, No. 10 of 2006.

5. 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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