PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

ECONOMIC SERVICE CHARGE (AMENDMENT) ACT, No. 9 OF 2014

[Certified on 24th April, 2014]

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Economic Service Charge (Amendment)
Act, No. 9 of 2014

[Certified on 24th April, 2014]

L. D.—O. 7/2014.

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. This Act may be cited as the Economic Service
Charge (Amendment) Act, No. 9 of 2014 and shall come into
operation on April 1, 2014.

Short title and date of operation.

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. 11 of 2008 is hereby
further amended by the insertion, immediately after
subsection (3) of that section, of the following new
subsection—

Amendment of section 3 of Act, No. 13 of 2006.

> "(3A) Where an insurer engaged in carrying on
> both long term insurance business and general
> insurance business segregates such business into long
> term insurance business and general insurance
> business to be carried on by two separate companies,
> as required by section 53 of the Regulation of
> Insurance Industry (Amendment) Act, No. 3 of 2011,
> the balance, if any, as at the date of such segregation
> of the amount levied as service charge after the
> deduction in accordance with subsection (1), (2) or
> (3) shall notwithstanding anything to the contrary in
> any other provisions of this Act, but subject to the
> preceding provisions of this section, be deducted
> from income tax payable by the company that is
> carrying on the general insurance business after such
> segregation as if the same company were continuing
> to carry on the business.".

Amendment of
section 9 of the
principal
enactment.

3. Section 9 of the principal enactment as last amended by Act, No. 15 of 2007 is hereby further amended by the repeal of subsection (4) of that section and the substitution therefor of the following:—

"(4) No assessment or additional assessment shall be made under this Act in respect of a person or partnership—

(*a*) who or which has made a return for any relevant quarter in any year of assessment on or before the dates referred to in section 7,

     (i) where such quarter is any relevant quarter ending on or before March 31, 2014 after the expiry of eighteen months from the end of the year of assessment within which such relevant quarter falls; or

     (ii) where such quarter is any relevant quarter commencing on or after April 1, 2014 after the expiry of eighteen months from the thirtieth day of November of the year of assessment immediately succeeding the year of assessment within which such relevant quarter falls,

if his or its return of income has been made under subsection (1) or subsection (7) of section 106 of the Inland Revenue Act, No. 10 of 2006; or

(*b*) who or which has failed to make a return on or before such date as referred to in paragraph (*a*) after the expiry of a period of four years from the thirtieth day of

November of the year of assessment immediatly succeeding the year of assessment within which such relevant quarter falls.".

4. 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 the case of inconsistency.