

PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

FINANCE (AMENDMENT)

ACT, NO. 18 OF 2009

[Certified on 31st March, 2009]

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Finance (Amendment) Act, No. 18 of 2009 1

[Certified on 31st March, 2009]

L.D.–O. 54/2008.

AN ACT TO AMEND THE FINANCE ACT, NO. 5 OF 2005

BE it enacted by the Parliament of the Democratic Socialist

Republic of Sri Lanka as follows :—

1. This Act may be cited as the Finance (Amendment) Short title.

Act, No. 18 of 2009.

2. The Finance Act No. 5 of 2005 (hereinafter referred Amendment of

to as “principal enactment”) is hereby amended in section section 13 of

Part III of the

13 of Part III of that Act, (Construction Industry Guarantee Act, No. 5 of

Fund Levy) by the Substitution for the word “the total cost 2005.

which shall be payable by each contractor or sub-contractor”,

of the words “the total contract value which shall be payable

to each contractor or sub-contractor”.

3. The following new section is hereby inserted Insertion of new

immediately after section 13 of the principal enactment and section 13A in

the principal

shall have effect as section 13A of that enactment :- enactment.

“Any person 13A. (1) Where any person or partnership

or

makes any payment on or after April 1,

partnership to

deduct 2009 to any construction contractor or

construction sub-contractor, amounting to the value of

Industry any construction contract or sub-contract

Guarantee

enforced in Sri Lanka by such contractor or

Fund Levy.

subcontractor, as the case may be, under any

agreement entered into on or after January 1,

2005, then such person or partnership shall be

required to deduct from such payment, the

Construction Industry Guarantee Find Levy at

the appropriate rate specified in the Second

Schedule to this Act, and to issue to such

contractor or sub-contractor, a statement setting

out details of such deduction in the format as

specified by the Commissioner- General.

2—PL 003769— 4,250 (03/2009)

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(2) The provisions of sections 140, 142,

143, 144 and 145 of the Inland Revenue Act,

No. 10 of 2006 relating to duties of banks and

financial institutions following deductions of

income tax, default in the deduction of income

tax, issue of assessments on banks and financial

institutions, appeals and penalty for default

shall, mutatis mutandis, be applicable to the

duties of such persons and partnerships, in

relation to the Construction Industry Guarantee

Fund Levy following deductions of

construction industry guarantee fund levy,

default in the deduction of construction

industry guarantee fund levy, issue of

assessments on such persons or partnerships,

appeals and penalty for default.

(3) The amount deducted as Construction

Industry Guarantee Fund Levy under aforesaid

subsections shall be remitted by the person or

partnership deducting the same, to the

Commissioner-General on or before the

fifteenth day of the month immediately

succeeding the month in which such deduction

was made, together with a statement setting

out the details of such deductions in the format

as specified by the Commissioner-General.

(4) On the production of the certificate

relating to such deduction made and remitted

to the Commissioner-General, any construction

contractor or sub-contractor shall be entitled

to deduct form the amount of the Construction

Industry Guarantee Fund Levy payable by such

contractor or sub-contractor under section 13,

the amount of any deduction made as

Construction Industry Guarantee Fund Levy

by the person or partnership making the

payment at the time of such payment.”.

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4. Section 14 of the principal enactment is hereby Amendment of

amended, by the substitution for the words and figures “The section 14 of the

principal

Construction Industry Guarantee Fund Levy payable under enactment.

section 13 shall be remitted by the construction contractor”,

of the words and figures” any balance of Construction

Industry Guarantee Fund Levy payable by any contractor or

sub-contractor under Section 13, after deducting such levy

deducted by the payer under section 13A, shall be remitted

by such construction contractor or sub-contractor as the case

may be”.

5. Section 20 of the principal enactment is hereby Amendment of

amended, by the repeal of the definition of the expression, section 20 of the

principal

“contract value” and the substitution therefore, of the enactment.

following definition :—

““contract value” means the amount or the amounts stated

in the letters of acceptance and which are thereafter

adjusted in accordance with the provisions of the

contract. The said contract value shall be the sum

total of individual contracts or of several contracts

which have been entered into in respect of the

carrying out of any construction work and shall

include sub-contract values and such other

construction costs that may be incurred in carrying

out such works, but shall not include any Value

Added Tax payable under the Value Added Tax Act,

No. 14 of 2002 ; and”.

6. First Schedule of the principal enactment is hereby Amendment of

First Schedule of

amended, by the substitution for items 4, 5 and 6 thereof, of

the principal

the following new item :- enactment.

“4. (a) the Inland Revenue Act, No. 38 of 2000 (other

than the provisions Chapters XV, XVI and XVII,

and sections 33 and 61), in so far as such Act

applies to the period commencing on April 1,

2005 and ending on March 2006 ;

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(b) the Inland Revenue Act, No. 10 of 2006 (other

than the provisions Chapter XVI, XVII. XVIII

and XXI, and sections 36 and 65), in so far as

such Act applies to the period commencing on

April 1, 2006 and ending on March 2008 ; and

(c) The Inland Revenue Act, No. 10 of 2006 (other

than the provisions Chapter XVI, XVII. XVIII

and XXI, and sections 36 and 65), in so far as

such Act applies to any company and to any

period commencing on or after April 1, 2008.”

Amendment of 7. Second Schedule of the principle enactment is hereby

Second amended as follows :—

Schedule of the

principal

enactment. (1) in item 2 thereof by the substitution for the words

“not exceeding rupees fifty million” of the words

“less than rupees fifty million”; and

(2) in item 3 thereof by the substitution for the words

“not exceeding rupees one hundred and fifty

million” of the words “less than rupees one hundred

and fifty million”.

Sinhala text to 8. In the event of any inconsistency between the Sinhala

prevail in case and Tamil texts of this Act, the Sinhala text shall prevail.

of inconsistency.

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