

PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

FINANCE (AMENDMENT)

ACT, No. 15 OF 2011

[Certified on 31st March, 2011]

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Finance (Amendment) Act, No. 15 of 2011 1

[Certified on 31st March, 2011]

L.D.— O. 6/2011

AN ACT TO AMEND THE FINANCE ACT, NO. 11 OF 2006, THE FINANCE

ACT, NO. 5 OF 2005, THE FINANCE ACT, NO. 25 OF 2003 AND THE

FINANCE ACT, NO. 16 OF 1995

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. 15 of 2011.

PART I

AMENDMENT OF PART I OF THE FINANCE ACT, NO. 11 OF 2006

2. Part I of the Finance Act, No. 11 of 2006 is hereby Amendment

amended in sub-paragraph (ii) of paragraph (b) of subsection of section 2 of

(1) of section 2 thereof, by the substitution for the words and Part I of Act,

No. 11 of

figures “(ii) from and after the date of commencement of this

2006.

Act,” to the words and figures “Act, No. 10 of 2006, as the

case may be,” of the following:-

“(ii) from and after the commencement of this Act,-

(a) from every individual who has not in terms

of paragraph (i) above, availed himself of the

concession referred to therein, or every

individual who has paid in respect of any

period of five consecutive years of assessment

commencing on April 1, 2001 and ending on

March 31, 2011; or

(b) from every individual who has not in terms

of paragraph (i) above, availed himself of the

concession referred to therein, or every

individual who has paid in respect of any

period of ten consecutive years of assessment

commencing on April 1, 2001 ,

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income tax in terms of the Inland Revenue Act,

No. 38 of 2000, or the Inland Revenue Act, No. 10

of 2006, as the case may be,”.

PART II

AMENDMENT OF PART I OF THE FINANCE ACT, NO. 5 OF 2005

Amendment of 3. Part I (Imposition of Social Responsibility Levy) of

section 2 of the Finance Act, No. 5 of 2005 (hereinafter in this Part

Part I of Act,

referred to as the “principal enactment”), is hereby amended

No. 5 of 2005.

in section 2 thereof as follows -

(1) by the repeal of paragraph (c) of that section, and

the substitution therefor of the following new

paragraph:-

“(c) the rate of 1.5 per centum, for the period

commencing on January 1, 2008 and

ending on -

(i) November 22, 2010 in respect of the

Social Responsibility Levy chargeable

under the Excise Ordinance (Chapter

52), the Customs Ordinance (Chapter

235) and the Excise (Special

Provisions) Act, No.13 of 1989; and

(ii) March 31, 2011 in respect of the Social

Responsibility Levy chargeable under

the provisions of the Inland Revenue

Act No. 10 of 2006:”;

(2) by the repeal of sub-paragraph (ii) of the second

proviso to that section and substitution therefore

of the following new sub-paragraph:-

“(ii) in respect of the period commencing on April

1, 2008, but prior to April 1, 2011, be

calculated at the rate of 1.5% per centum:”.

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4. The First Schedule to the principal enactment Amendment of

the First

(relating to the Imposition of Social Responsibility Levy) Schedule to the

is hereby amended by the substitution for item 6 of that principal

Schedule of the following new item:- enactment.

“6. The Inland Revenue Act No. 10 of 2006, (other

than the provisions of Chapters XVI , XVII 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 and

ending on March 31, 2011.”

PART III

AMENDMENT OF PART II OF THE FINANCE ACT, NO. 5 OF 2005

5. Part II (Imposition of Share Transaction Levy) of Replacement of

the Finance Act, No. 5 of 2005 is hereby amended with effect section 7 of Act,

No. 5 of 2005.

from January 1, 2011, by the repeal of section 7 thereof

and the substitution therefor of the following section:-

“Imposition 7. There shall be imposed, a levy called

of Share

the Share Transaction Levy -

Transaction

Levy.

(a) for any period commencing from

January 1, 2005, but prior to January

1, 2011, at the rate of 0.2 per centum;

and

(b) for any period commencing on or

after January 1, 2011, at the rate of

0.3 per centum,

from every buyer and seller, on the turnover of

every share trading transaction, which is

conducted through a Stock Exchange.”.

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Indemnity. 6. Where the Share Transaction Levy has been

charged and collected by the Commissioner - General

of Inland Revenue in terms of this Part of this Act, during

the period commencing on January 1, 2011 and ending

on the date of the commencement of this Act, such

Levy shall be deemed to have been validly charged

and collected and Commissioner - General of

Inland Revenue is hereby indemnified from any action

civil or criminal in respect of collection of the aforesaid

Levy.

PART IV

AMENDMENT OF PART III OF THE FINANCE ACT, NO. 5 OF 2005

Amendment of 7. Part III (Construction Guarantee Fund Levy) of

section 13 of

the Finance Act, No. 5 of 2005 is hereby amended with

Act, No. 5 of

2005. effect from January 1, 2011, in section 13 thereof as follows:-

(1) by the renumbering of that section as subsection

(1) of that section ;

(2) by the addition immediately after the

re- numbered subsection (1), of the following new

subsection:-

“(2) No Construction Industry Guarantee

Fund Levy shall be charged on any construction

contract to be entered into and enforced in

Sri Lanka by any construction contractor, on their

contract value in respect of contracts for the

implementation of specified projects approved by

the Minister of Finance, entered into from and

after January 1, 2011,”.

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PART V

AMENDMENT OF PART II OF THE FINANCE ACT, NO. 25 OF 2003

8. The following new Part is hereby inserted Insertion of new

Part IIA in Act,

immediately after section 13 (Part II) of the Finance Act, No. 25 of 2003.

No. 25 of 2003 and shall have effect as Part IIA of that

enactment:-

“PART IIA

THE LEVY ON ROOMS OF FIVE STAR HOTELS

“Payment of 13A. (1) Every hotel within the limits of the

levy by five area of authority of the Colombo Municipal

star hotels

where room Council and Dehiwala-Mount Lavinia

charges are Municipal Council which are classified as a

less than one “Five Star Hotel” for the purpose of minimum

hundred and

twenty five rates in terms of Price Regulation Order made

United States under section 53 of the Tourism Act, No. 38 of

Dollars. . 2005, shall be required to pay, with effect from

April 1, 2011, a levy, amounting to United

States Dollars twenty or its equivalent in

Sri Lanka rupees, in respect of each room in

every such hotel, if such hotle comprises of

rooms in respect of which charges per room is

less then United States Dollars one hundred

and twenty five.

(2) The levy imposed under subsection (1)

shall be paid in such manner as specified in the

guidelines issued for this purpose under

subsection (3) and shall be collected by the

Chairman of Sri Lanka Tourism Development

Authority established under the Tourism Act,

No. 38 of 2005 in respect of each month

commencing from April 1, 2011. Such levy

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shall be collected by the Chairman within

fifteen days from the last day of the month in

which such amount falls due and the Chairman

shall within seven days from the date of

collection, remit the same to the Consolidated

Fund. The Chairman shall also submit a written

statement setting out all details of the amounts

collected by him to the Secretary to the

Treasury.

(3) The Minister may, from time to time

issue guildlines in relation to the collection

and remittance of the levy under this section.”.

PART VI

AMENDMENT OF PART II OF THE FINANCE ACT, NO. 16 OF 1995

Replacement of 9. Section 3 of the Finance Act, No.16 of 1995

section 3 of Act (hereinafter in this Part referred to as the “principal

No.16 of 1995. enactment”) is hereby repealed and the following section

substituted therefor:-

“Annual 3. There shall be charged, levied and paid,

luxury motor on every luxury motor vehicle (other than a

vehicle levy. semi-luxury dual purpose motor vehicle or a

wagon)-

(a) where the first year of registration falls

prior to January 1, 2011, for every year

commencing on or after April 1, 1995,

but for a period not more than seven

years prior to January 1, 2011, at the

respective rates set out in Part I of the

First Schedule to this Act; and

(b) where the first year of registration falls

on or after January 1, 2011, for every

year commencing on or after January

1, 2011, but for a period not more than

seven years, at the respective rates set

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out in Part II of the First Schedule to

this Act,

a luxury motor vehicle levy . The levy payable

for every such year shall be paid by the

registered owner of the luxury motor vehicle

on or before the relevant date.”.

10. Section 4 of principal enactment is hereby repealed Replacement of

and the following section substituted therefor :- section 4 of the

principal

enactment.

“Annual 4. There shall be charged, levied and paid,

semi-luxury

on every semi-luxury motor vehicle (other than

motor

vehicle levy. a semi-luxury dual purpose motor vehicle or a

wagon) -

(a) where the first year of registration falls

prior to January 1, 2011, for every year

commencing on or after April 1, 1995,

but for a period not more than seven

years, prior to January 1, 2011 at the

respective rates set out in Part I of the

Second Schedule to this Act; and

(b) where the first year of registration falls

on or after January 1, 2011, for every

year commencing on or after January 1,

2011, but for a period not more than

seven years, at the respective rates set

out in Part II of the Second Schedule to

this Act,

a semi-luxury motor vehicle levy. The levy

payable for every such year shall be paid by

the registered owner of the semi-luxury motor

vehicle on or before the relevant date .”.

11. Section 5 of the principal enactment is hereby Replacement of

repealed and the following section substituted therefor :- section 5 of the

principal

enactment.

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“Annual 5. There shall be charged, levied and paid,

semi-luxury on every semi-luxury dual purpose motor

dual purpose vehicle (other than a wagon) -

motor

vehicle levy. (a) where the first year of registration falls

prior to January 1, 2011, for every year

commencing on or after April 1, 1995,

but for a period not more than seven

years prior to January 1, 2011, at the

respective rates set out in Part I of the

Third Schedule to this Act; and

(b) where the first year of registration falls

on or after January 1, 2011, for every

year commencing on or after January 1,

2011, but for a period not more than

seven years, at the respective rates set

out in Part II of the Third Schedule to

this Act,

a semi-luxury dual purpose motor vehicle levy.

The levy payable for every such year shall be

paid by the registered owner of the semi-luxury

dual purpose motor vehicle on or before the

relevant date.”.

Amendment of 12. First Schedule to the principal enactment is hereby

the First

amended-

Schedule to the

principal

enactment. (1) by the insertion immediately after the heading

“Rates of levy on luxury Motor vehicles” of the

following:-

“ PART- I

For any year commencing on or after April 1, 1995,

but prior to January 1, 2011:-”;

(2) by the addition at the end of the First Schedule of

the following Part:-”

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“ PART- II

For any year commencing on or after January 1, 2011:-

Year Rate

Rs.

1 For the year in which such luxury motor vehicle

is registered (being a year commencing on or

after January 1, 2011) 100,000

2 For the first year succeeding the year in which

such luxury motor vehicle is registered (whether

the year of registration is any year commencing

on or after January 1, 2011) 78,750

3 For the second year succeeding the year in which

such luxury motor vehicle is registered (whether

the year of registration is any year commencing

on or after January 1, 2011) 68,000

4 For the third year succeeding the year in which

such luxury motor vehicle is registered (whether

the year of registration is any year commencing

on or after January 1, 2011) 57,750

5 For the fourth year succeeding the year in which

such luxury motor vehicle is registered (whether

the year of registration is any year commencing

on or after January 1, 2011) 48,000

6 For the fifth year succeeding the year in which

such luxury motor vehicle is registered (whether

the year of registration is any year commencing

on or after January 1, 2011) 38,750

7 For the sixth year succeeding the year in which

such luxury motor vehicle is registered (whether

the year of registration is any year commencing

on or after January 1, 2011) 30,000

8 For the seventh year succeeding the year in

which such luxury motor vehicle is registered

(whether the year of registration is any year

commencing on or after January 1, 2011) Nil

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EXAMPLE

(a) A luxury motor vehicle is registered on August 1,

2007, the levy applicable on such luxury motor

vehicle for the year commencing on January 1, 2011

(which is the fourth year succeeding the year of

registration) is Rs. 30,000.

(b) A luxury motor vehicle is registered on August 1,

2011, the levy applicable on such luxury motor

vehicle for the year commencing on January 1, 2011

is Rs. 100,000.

(c) A luxury motor vehicle is registered on August 1,

2012, the levy applicable on such luxury motor

vehicle for the year commencing on January 1, 2013

(which is the first year succeeding the year of

registration) is Rs. 78,750.”.

Amendment of 13. Second Schedule to the principal enactment is

the Second

hereby amended –

Schedule to the

principal

enactment. (1) by the insertion immediately after the heading

“Rates of levy on Semi-luxury Motor vehicles” of

the following:-

“PART - I

For any year commencing on or after April 1,

1995, but prior to January 1, 2011:-”;

(2) by the addition at the end of the Second Schedule

of the following Part:-”

“PART - II

For any year commencing on or after January 1,

2011:-

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Year Rate

Rs.

1 For the year in which such semi-luxury motor

vehicle is registered (being a year commencing

on or after January 1, 2011) 50,000

2 For the first year succeeding the year in which

such semi-luxury motor vehicle is registered

(whether the year of registration is any year

commencing on or after January 1, 2011) 39,375

3 For the second year succeeding the year in which

such semi-luxury motor vehicle is registered

(whether the year of registration is any year

commencing on or after January 1, 2011) 34,000

4 For the third year succeeding the year in which

such luxury motor vehicle is registered (whether

the year of registration is any year commencing

on or after January 1, 2011) 28,875

5 For the fourth year succeeding the year in which

such semi-luxury motor vehicle is registered

(whether the year of registration is any year

commencing on or after January 1, 2011) 24,000

6 For the fifth year succeeding the year in which

such semi-luxury motor vehicle is registered

(whether the year of registration is any year

commencing on or after January 1, 2011) 19,375

7 For the sixth year succeeding the year in which

such semi-luxury motor vehicle is registered

(whether the year of registration is any year

commencing on or after January 1, 2011) 15,000

8 For the seventh year succeeding the year in

which such semi-luxury motor vehicle is

registered (whether the year of registration is

any year commencing on or after January 1,

2011) Nil”

14. Third Schedule to the principal enactment is hereby Amendment of

amended – the Third

Schedule to the

principal

(1) by the insertion immediately after the heading

enactment.

“Rates of levy on Semi-luxury Dual Purpose Motor

Vehicles” of the following:-

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“ PART- I

For any year commencing on or after April 1,

1995, but prior to January 1 , 2011:-”;

(2) by the addition at the end of the Third Schedule of

the following Part:-

“PART – II

For any year commencing on or after January 1,

2011:-

Year Rate

Rs.

1 For the year in which such semi-luxury dual

purpose motor vehicle is registered (being a year

commencing on or after January 1, 2011) 20,000

2 For the first year succeeding the year in which

such semi-luxury dual purpose motor vehicle is

registered (whether the year of registration is

any year commencing on or after January 1,

2011) 15,750

3 For the second year succeeding the year in which

such semi-luxury dual purpose motor vehicle is

registered (whether the year of registration is

any year commencing on or after January 1,

2011) 13,600

4 For the third year succeeding the year in which

such semi-luxury dual purpose motor vehicle is

registered (whether the year of registration is

any year commencing on or after January 1,

2011) 11,550

5 For the fourth year succeeding the year in which

such semi-luxury dual purpose motor vehicle is

registered (whether the year of registration is

any year commencing on or after January 1,

2011) 9,600

6 For the fifth year succeeding the year in which

such semi-luxury dual purpose motor vehicle is

registered (whether the year of registration is

any year commencing on or after January 1,

2011) 7,750

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7 For the sixth year succeeding the year in which

such semi-luxury dual purpose motor vehicle is

registered (whether the year of registration is

any year commencing on or after January 1,

2011) 6,000

8 For the seventh year succeeding the year in

which such semi-luxury dual purpose motor

vehicle is registered (whether the year of

registration is any year commencing on or after

January 1, 2011) Nil

15. The amendment made to the principal enactment Retrospective

by this Part of this Act, shall be deemed for all purposes to effect.

have come into force on January, 1, 2011.

16. Where any person or body of persons collects the Indemnity

levy as provided for in this Part of this Act, during the period

commencing from January, 1, 2011 and up to the date of the

coming into operation of this Act, such person shall be

deemed to have acted with due authority and such collection

shall be deemed for all purposes to have been and to be,

validly made and is hereby indemnified against all actions,

civil or criminal, in respect of such collection.

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

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

of inconsistency.

prevail.

14 Finance (Amendment) Act, No. 15 of 2011

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