PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

VALUE ADDED TAX (AMENDMENT)

ACT, NO. 9 OF 2011

[Certified on 31st March, 2011]

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Value Added Tax (Amendment) 1

Act, No. 9 of 2011

[Certified on 31st March, 2011]

L.D.— O. 16/2011.

AN ACT TO AMEND THE VALUE ADDED TAX ACT, NO. 14 OF 2002

BE it enacted by the Parliament of the Democratic Socialist

Republic of Sri Lanka as follows :-

1. This Act may be cited as the Value Added Tax Short title and

(Amendment) Act, No. 9 of 2011 and shall be deemed to date of

operation.

have come into operation on January 1, 2011 unless different

dates of operation are specified in the relevant sections.

2. Section 2 of the Value Added Tax Act, No. 14 of 2002 Amendment of

(hereinafter referred to as the "principal enactment") is hereby section 2 of the

Value Added Tax

amended as follows :-

Act, No.14 of

2002.

(1) in subsection (1) of that section-

(a) by the repeal of sub-paragraph (iv) (b) thereof

and the substitution therefor of the following :-

"(b) (i) for the period commencing on August 2,

2005 and ending on September 30, 2005,

at the rate of twenty percentum (Luxury

Rate) of which the tax fraction is 1/6;

(ii) for any taxable period commencing on or

after October 1, 2005 and ending on

November 23, 2010, in respect of goods

at the rate of twenty percentum (Luxury

Rate) of which the tax fraction is 1/6;

(iii) for any taxable period commencing on

or after October 1, 2005 and ending on

December 31, 2010, in respect of services

at the rate of twenty percentum (Luxury

Rate) which the tax fraction is 1/6;

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on the value of such goods or services supplied

as referred to in the Fourth Schedule, other

than such goods chargeable with the tax at zero

percentum;

(b) in sub-paragraph (v) of that subsection-

(i) in item (ii) thereof, by the substitution for

the words and figures "commencing on or

after January 1, 2009" of the words and

figures "commencing on or after January

1, 2009 and ending on December 31,

2010"; and

(ii) by the addition, immediately after item (ii)

thereof, the following new item :-

"(iii) for the period commencing on

November 23, 2010 and ending on

December 31, 2010, and for any

taxable period commencing on or after

January 1, 2011, at the rate of twelve

per centum (of which the tax fraction

is 3/28) on the value of such goods or

services supplied, or goods imported,

other than goods or services chargeable

with tax at Zero percentum.".

(2) in subsection (2) of that section-

(a) in sub-paragraph (iv) of paragraph (c) thereof,

by the substitution for all the words from "until

such time as the activities" to the end of that

sub-paragraph of the following :-

"until such time as the activities of such

garment manufacture or service provider are

carried out in the manner stipulated by the

Commissioner-General in the guidelines

issued for this purpose, on the submission of

the reconciliation relating to -

(a) the disposal of such goods, stating that

such finished goods have in fact been

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exported by the recipient of the

supplies; or

(b) the supply of value added services,

stating that such services have in fact

been used for the manufacture of

garments which have been exported:

Provided that, with effect from April 1,

2011, deferment of tax under this paragraph

shall be administrated by the Commissioner-

General.";

(b) in sub-paragraph (d) thereof, by the

substitution for all the words from "until such

time as the activities" to the end of that sub-

paragraph, of the following :-

"until such time as the activities of such

manufacture of goods or service provider

are carried out in the manner stipulated by the

Commissioner-General of Inland Revenue in

the guidelines issued for this purpose, on the

submission of the reconciliation relating to -

(a) the disposal of such goods, stating that

such finished goods have in fact been

exported by the recipient of the

supplies; or

(b) the supply of value added services,

stating that such services have in fact

been used for the manufacture of

goods which have been exported:

Provided that, with effect from April 1,

2011, deferment of tax under this paragraph

shall be administrated by the Commissioner-

General.";

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(c) by the addition immediately after sub-paragraph

(d) thereof the following new paragraph :-

"(e) on the supply of goods or services other

than the goods or services referred to in

sub-paragraphs (c) or (d), the Commissioner

- General may after affording the applicant

who is a registered person, an opportunity

of being heard, and having regard to the

nature of the business carried on or carried

out by such applicant, defer the payment

of tax, subject to the conditions stipulated

by the Commissioner - General in the

guidelines issued for this purpose, in respect

of supplies made to :-

(i) a registered person engaged in any

specific project referred to in sub

paragraph (ii) of paragraph (f) of

PART II of the First Schedule;

(ii) an exporter or to a manufacturer who

supplies goods manufactured in Sri

Lanka to an exporter;

(iii) any supplier who provides value

added services to an exporter which

results in the improvement of the

quality, character or value of any

goods manufactured for export;

(iv) any person registered under the

provisions of subsection (7) of

section 22 of the Act, during the

project implementation period so far

as such supplies are project related

supplies

until such time as the activities of such

suppliers of goods or providers of service

are carried out as stipulated by the

Commissioner-General in the guidelines

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issued by him for this purpose, and on the

submission of the reconciliation relating

thereto, stating that such goods or services

are in fact made to a registered person

referred to in this sub-paragraph and such

goods or services are utilized for the

purposes of such specified activities.".

3. Section 16 of the principal enactment is hereby Amendment of

amended by the addition immediately after subsection (2) section 16 of the

principal

thereof, the following new subsection :-

enactment.

"(2A) Where the Commissioner-General

cancels any registration under subsection (2), he

shall cause a list of names and the registration

numbers of such registered persons to be published

in three daily newspapers in the Sinhala, Tamil

and English languages, having a wide

circulation.".

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

amended in paragraph (b) of subsection (6) of that section section 20 of the

principal

by the substitution for words and figures "under paragraphs

enactment.

(a) or (c) of subsection (2) of section 2," of the words and

figures "under paragraphs (a), (c), (d) or (e) of subsection (2)

of section 2,".

5. Section 22 of the principal enactment is hereby amended Amendment of

as follows:- section 22 of

the principal

enactment.

(1) in paragraph (e) of the proviso to subsection (5) of

that section -

(a) in sub-paragraph (b) thereof, by the

substitution for the words and figures "'if the

excess is in respect of the taxable period

commencing on or after January 1, 2006" of

the words and figures "if the excess is in

respect of the taxable period commencing on

or after January 1, 2006 and ending on March

31, 2011",

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(b) by the addition immediately after sub-

paragraph (b), of the following new sub-

paragraph :-

"(c) if the excess is in respect of any taxable

period commencing on or after April 1,

2011, such excess shall be refunded no later

than forty-five days after the end of that

taxable period or from the date of receipt

of the return for the relevant taxable period

whichever is later.";

(2) in subsection (6) of that section, by the substitution

in the proviso to paragraph (iv) thereof, for the

words "to supply of goods or services to such

projects." of the words "to supply of goods or

services to such projects :

Provided further, notwithstanding the

provisions of subsection (2), the tax paid by the

employer as a registered person, on the payments

borne by him on the outsourcing of the supply of

meals and transport, in respect of a benefit referred

to in the exemption specified in item (iv) of

paragraph (b) of Part II of the First Schedule, may be

allowed as the input credit of a registered person.";

(3) in subsection (10) of that section, by the

substitution for the words and figures from "The

amount of input tax allowable under the preceding

provisions of this section" to "subject however to

the same restriction:" of the following:-

"The amount of any input tax allowable for any

taxable period, shall be subject to the following

further restrictions :-

(a) for any taxable period commencing on or after

January 1, 2007 but prior to Decmber 31, 2010,

including in the case of a registered person who

imports goods for re-sale without processing

referred to in the third proviso to subsection (5)

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of this section, the excess input tax as at

December 31, 2006 to the lesser amount of

eighty-five percentum of the output tax declared

for that taxable period or the input tax

allowable under the provisons of this Act. The

residue, if any, shall be deemed to be a part of

the input tax allowable in the subsequent

taxable period or periods, subject however to

the same restriction up to the taxable period

ended as at December 31, 2010. The unabsorbed

residue, if any, as at December 31, 2010 shall

be carried forward and may be claimed by a

registered person for any taxable period not

exceeding a sum equivalent to ten percentum

of the unabsorbed amount for each month,

provided that such sum does not exceed five

percentum of the net tax payable after

deducting allowable input credit from the

output tax by such person;

(b) for any taxable period commencing on or after

January 1, 2011, excluding the input tax

referred to in sub-paragraph (a) above claimed

up to December 31, 2010, to the lesser amount

of hundred percentum of the output tax declared

for that taxable period or the input tax

allowable under the provisions of this Act. The

residue, if any, shall be deemed to be a part of

the input tax allowable in the subsequent

taxable period or periods, subject however to

the same restriction:

Provided that, in the case of a registered

person who has at December 31, 2010, an

unabsorbed input credit, but from and after

January 1, 2011, such person has no taxable

supplies liable to tax under the provisions of

this Act, then, the unabsorbed input credit

referred to in paragraph (a) may be set off after

ascertaining the amount of the unabsorbed

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input credit, in the manner provided for in either

paragraph (i), paragraph (ii) or paragraph (iii)

as the case may be :-

(i) Where the registered person is an operator

of a telecommunication services licensed

under section 17 of the Sri Lanka

Telecommunication Act, No. 25 of 1991,

the set off shall be made as against the sum

payable by him as Telecommunication Levy

payable under the Telecommunication

Levy Act, No. 21 of 2011 ;

(ii) in the case of a registered person who is

liable to pay income tax, the set off shall

be made as against the sum payable by such

person as income tax after January 1, 2011;

(iii) in a case of a person to whom the provisions

of either paragraph (i) or (ii) above does

not apply, the set off shall be made against

the sum payable after January 1, 2011, by

such person as tax under any written law

for the time being in force, administrated

by the Commissioner - General.

The set off for each month in terms of

this proviso, shall not exceed ten per

centum of the unabsorbed input credit as

at December 31, 2011 or five percentum of

the relevant tax imposed referred to in

items (i), (ii) or (iii) above for that particular

month, whichever is less.".

Replacement of 6. Section 25B of the principal enactment is hereby

section 25B of repealed and the following section substituted therefor :-

the principal

enactment. "Taxable 25B. (1) The taxable period of every

period. registered specified institution or other

person shall be :-

(a) one month for any taxable period

prior to January 1, 2011; and

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(b) six months for any taxable period

commencing on or after January

1, 2011.

(2) Every registered specified

institution or other person shall furnish a

return in the Form specified, in respect of

each taxable period before the end of the

following month of the taxable period.

(3) (a) Notwithstanding the provisions

of subsection (1) of section 26, tax payable

for any taxable period by every registered

specified institution or other person shall

be paid on a monthly basis on or before the

twentieth day of the succeeding month

subject to the making of the final

adjustment, if any, with the submission of

the return as specified in this section.

(b) Any tax which is not so paid as set

out in paragraph (a) shall be deemed to be

in default and any registered specified

institution or other person to whom this

subsection applies shall be deemed to be a

defaulter within the meaning of this Act.”.

7. Section 25C of the principal enactment is hereby Amendment of

amended as follows :- section 25C of

the principal

(1) in subsection (1) of that section, by the substitution enactment.

for all the words from "for avoidance of doubts it is

here by declared" to the words "the tax payable

under this Chapter" of the following :-

"for the purpose of this Chapter the value addition

of such specified institution shall be computed :-

(i) for any taxable period commencing prior to

January 1, 2011, based on the net profit or loss

prior to the deduction of the tax payable under

this Chapter; and

(ii) for any taxable period commencing on or after

Januray 1, 2011, based on the net profit or loss

after the deduction of the tax payable under

this Chapter.";

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(2) by the repeal of subsection (3) of that section and

the substitution therefor of the following :-

"(3) The amount of tax payable for any

taxable period :-

(a) commencing from January 1, 2003 but prior

to January 1, 2004 shall be ten percentum;

(b) commencing from January 1, 2004, but prior

to January 1, 2005, shall be fifteen percentum;

(c) commencing from January 1, 2005, but prior

to January 1, 2011, shall be twenty

percentum; and

(d) commencing from January 1, 2011 shall be

twelve percentum;

of the value addition specified in subsection (i)";

(3) by the repeal of subsection (8) of that section and

the substitution therefor of the following :-

"(8) for the purpose of calculation of tax under

this section, every specified institution or any other

person shall follow the guidelines specified by the

Commissioner-General having considered the

uniform application of the calculation of such tax.";

(4) by the addition immediately after subsection (8)

of that section, of the following new subsection :-

"(9) eight percentum of the value addition

specified in subsection (1) of section 25C shall be

invested in the fund established in the Central

Bank of Sri Lanka as specified in the guidelines

issued for this purposes with the concurrence of

the Commissioner - General for the period of three

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years commencing from January 1, 2011 and the

investment shall be made on a monthly basis on or

before the twentieth day of the subsequent month.".

8. Section 25H of the principal enactment is hereby Amendment of

amended in subsection (1) of that section, by the substitution section 25H of

the principal

for the words and figures "of this Chapter for every quarter enactment.

commencing on or after January 1, 2007, at the rate of five

per centum" of the following :-

"of this Chapter :-

(a) for every quarter commencing on January 1, 2007

and ending on December 31, 2010, and for every

quarter commencing from the quarter in which

the registration falls due, at the rate of five

percentum; and

(b) every quarter commencing on January 1, 2011,

in the following manner :-

(i) at the rate of two percentum, for every quarter

falling within the three years commencing

from the beginning of the quarter in which

registration falls due, but after the December

31, 2010;

(ii) at the rate of four percentum, for every quarter

falling within the three years commencing

immediately after the end of the three years

referred to in item (i);

(iii) at the rate of eight percentum, for every

quarter falling within the three years

commencing immediately after the end of

three years referred to in item (ii); and

(iv) at the rate of twelve per centum, for every

quarter falling within the three years

commencing immediately after the end of

three years referred to in item (iii);".

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Amendment of 9. Section 25I of the principal enactment is hereby

section 25I of amended in subsection (1) thereof, by the substitution for

the principal

enactment. paragraph (b) thereof, of the following :-

"(b) such registration shall be valid for a period of twelve

years from the date of commencement of the quarter

in which the registration is obtained by such person

or partnership.".

Insertion of new 10. The following new section is hereby inserted

section 25j in immediately after section 25I and shall have effect as section

the principal

25J of that enactment :—

enactment.

“The value 25J. (1) The values of supplies from any

of supplies Islamic Financial Transaction shall be

from any

chargeable to tax in terms of the provisions of

Islamic

Financial this Act.

Transactions

to be (2) The Commissioner-General of Inland

chargeable to

Revenue shall in order to determine the extent

tax.

of liability to tax of any particular Islamic

Financial Transaction, issue, from time to time,

such rules and guidelines as may be required

for the purpose of—

(a) identifying the circumstances which

would amount to an Islamic Financial

Transaction ; and

(b) ascertaining the value of supplies arising

out of any Islamic Financial

Transaction.”.

Amendment of 11. Section 26A of the principal enactment is hereby

section 26A of amended in subsection (1) thereof, by the substitution for the

the principal

words "Every Government Agency which makes payments

enactment.

in pursuance of a contract" of the words and figures "Every

Government Agency which makes payments prior to January

1, 2011, in pursuance of a contract.".

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12. Section 33 of the principal enactment is hereby Amendment of

amended in subsection (2) thereof by the substitution for the section 33 of the

principal

words "within a period of five years from the end of the taxable enactment.

period to which the assessments relates." of the words "at any

time".

13. Sections 34 to 36 (both inclusive) appearing under Amendment of

the Heading "Chapter VI - appeals" of the principal enactment section 34 to 36

of the principal

are hereby amended by the substitution for the words "Board

enactment.

of Review constituted under the Inland Revenue Act, No. 10

of 2006" and "Board of Review" respectively wherever such

words appear in that Chapter, of the words "Board of Review

or any Commission which may be constituted by any written

law for the purpose of hearing appeals in terms of this Act."

14. Section 43 of the principal enactment is hereby Amendment of

amended in the proviso to subsection (1) thereof, by the section 43 of the

principal

substitution for the words "examine or decide the correctness

enactment.

of any statement in the statement of certificate of the

Commissioner-General." of the words "examine or decide

the correctness of any statement in the certificate of the

Commissioner-General or to postpone or defer such

proceeding for a period exceeding thirty days, by reason

only of the fact that an appeal is pending against the

assessment in respect of which the tax in default is charged.".

15. Section 55 of the principal enactment is hereby Amendment of

amended as follows :- section 55 of the

principal

enactment.

(1) by the re-numbering of that section as

subsection (1) thereof;

(2) by the addition immediately after the re-

numbered subsection (1), of the following new

subsection :-

"(2) All the taxable supplies of a non-

resident person shall be assessable either

directly or in the name of his agent, in or

derived from Sri Lanka, whether such agent

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has the receipt of such supplies or not, and

the tax in terms of this Act so assessed whether

directly or in the name of the agent shall be

recoverable in the manner provided for in

this Act, out of the assets of the non-resident

person or from the agent. Where there are more

agents than one, they may be assessed jointly

or severally in respect of the taxable supplies

of the non-resident person and shall be jointly

and severally liable for tax thereon, in terms

of this Act.".

Amendment of 16. Section 58 of the principal enactment is hereby

section 58 of amended as follows :-

the principal

enactment. (1) in the second proviso to subsection (1) of that

section, by the substitution for the words

"Provided further, that any such amount" of

the words and figures "Provided further, that

any such amount prior to any taxable period

commencing on April 1, 2011,"

(2) in subsection (3) of that section, by the

addition immediately after paragraph (b) of

that subsection of the following:-

"(c) (i) fails to furnish the fuller and further

information relating to any claim of

refunds within the period specified in

the letter issued to such person,

(ii) fails to attend in person or make

representation by an authorized

representative at such place and on such

date and at such time as may be specified

in the letter issued to such person,

by any Assessor, the Commissioner-General

may disregard the claim of refund made by

such person:

Provided however, if the registered

person within a reasonable period after the

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claim of refund being disregarded by the

Commissioner-General prove to the

satisfaction of the Commissioner-General that

he or his authorized representative was

prevented from submitting the required

information as specified in the letter or due

attendance at the interview, as the case may

be, by reason of absence from Sri Lanka, or

sickness or other unavoidable cause, the

Commissioner- General may re-open the

inquiry of the refund claim subject to any

conditions specified by him.";

(3) by the addition immediately after subsection (3) of

that section, of the following new subsection:-

"(4) The Commissioner-General shall

credit, the amount refundable under this

section only to the bank account assigned to a

registered person for such purpose.".

17. Section 58A of the principal enactment is hereby Repeal of section

repealed. 58A of the

principal

enactment.

18. Section 67 of the principal enactment is hereby Amendment of

amended in paragraph (f) of that section, by the substitution section 67 of the

principal

for the words and figures "return under section 21 or comply",

enactment.

of the words and figures "return under section 21, section 25B

or subsection (4) of section 25H or comply.".

19. Section 83 of the principal enactment is hereby Amendment of

amended as follows:- section 83 of

the principal

enactment.

(1) by the insertion immediately before the definition

of the expression "Assessor" of the following

definition:-

' "agent" in relation to a non-resident person or

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to a partnership in which any partner is a non -

resident person, includes-

(a) the agent, attorney, factor, receiver or

manager in Sri Lanka of such person or

partnership; and

(b) any person in Sri Lanka through whom

such person or partnership is in receipt

of any profits or income, arising in or

derived from Sri Lanka;";

(2) in the definition of the expression "educational

services" by the substitution for the words "by any

educational establishment" of the words "by any

person or partnership.";

(3) in the definition of the expression "taxable period"

by the repeal of item (i) of paragraph (a) and the

re-numbering of items (ii), (iii), (iv), (v), and (vi) as

items (i), (ii), (iii), (iv) and (v) respectively;

(4) by the addition immediately after the definition of

"taxable supply" the following new definition:-

"telecommunication service" means the service

provided by telecommunication operators

licensed under section 17 of the Sri Lanka

Telecommunication Act, No. 25 of 1991 to

other similar operators and to end

subscribers.".

Amendment of 20. The First Schedule to the principal enactment is hereby

the First amended in Part II thereof as follows:-

Schedule to the

principal

(1) in paragraph (a) of that Part by the addition

enactment.

immediately after item (xvii) the following:-

"(xviii) Petrol, Coal or Bitumen specified under

Harmonized commodity Description and

Coding System Numbers for Custom

purposes with effect from November 26,

2010;

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(xix) (a) machinery and equipment for

manufacture of grain mixed bakery

products with effect from November

29, 2010;

(b) machinery and equipment for the use

of leather or footwear industry or bags,

motor homes, taxi meters, agricultural

machinery and parts, electronic

equipments or articles use manufacture

of fashion jewellery with effect from

January 1, 2011;

(c) light weight electrical and electronic

items with effect from June 1, 2010;

(d) fruit seeds with effect from August 16,

2010;

(e) telecommunication equipment with

effect from January 1, 2011;

as specified under Harmonized

Commodity Description and Coding

System Numbers for Custom purposes;

(xx) any machinery or high-tech equipment for

the telecom industry, having identified

that such machinery or equipment is

imported or purchased exclusively for the

use in the telecom industry and imported

or purchased by any operator of tele

communication services, with effect from

January 1, 2011 ;

(xxi) spare parts and accessories for exclusive

use by Sri Lanka Transport Board and

Department of Sri Lanka Railways

(including imports made on or after

18.08.2010);";

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(2) in paragraph (b) of that part :

(a) in sub-paragraph (a) of item (i), by the

substitution for the words and figures

"educational services by an educational

establishment (effective from January 1,

2006); or" of the words and figures -

"(a) (1) educational services provided by

an educational establishment

(effective from January 1,2006

and ending on December 31,

2010); and

(2) educational services provided by

any person or partnership with effect

from January 1, 2011); or";

(b) in paragraph (b) of item (ii), by the repeal of

sub-paragraph A of that item and the

substitution therefor of the following -

"(A) (i) such motor coaches with a seating

capacity not less than twenty-eight

passenger seats and used for such public

passenger transport services if such

lease agreement is entered into prior to

January 1, 2004 and ending on

December 31, 2010;

(ii) lorries, tractors or motor coaches with

seating capacity not less than twenty-

eight passenger seats and used for public

passenger transport services by the

holder of any passenger service permit

issued by the National Transport

Commission established by the

National Transport Commission Act,

No. 37 of 1991 or any Provincial Road

Passenger Transport Authorty, in

respect of any rental falling due for

payments on or after January 1, 2011;"

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(3) by the addition immediately after item (xxx) the

following :-

"(xxxi) telecommunication services (with effect

from January 1, 2011);

(xxxii) locally manufactured briquettes and

pallets using bio mass wastes (with

effect from January 1, 2011;

(xxxiii) locally developed software with effect

from January 1, 2011;

(xxxiv) services being receipts from re-

insurance by any local insurance

company by way of commission or

compensation in an insurance business

(with effect from January 1, 2011);

(xxxv) services being the issue of licenses to

local telecom operators by

Telecommunication Regulatory

Commission, established by the

Sri Lanka Telecommunications Act, No.

25 of 1991 (with effect from January 1,

2011)";

(4) in paragraph (c) of that Part by the addition

immediately after item (xxviii) thereof the

following new items :-

"(xxix) aircraft stimulators and parts specified

under Harmonized Commodity

Description and Coding System

Numbers for Custom purposes with

effect from January 1, 2011;

(xxx) samples in relation to a business worth

not more than rupees twenty five

thousand subject to such terms and

conditions as prescribed by the Director

General of Customs";

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(5) in paragraph (f) of that Part, by the repeal of items

(ii) and (iii) and the substitution therefor of the

following items :-

"(ii) (a) goods or services to any specified project

identified by the Minister in charge of the

subject of Finance, taking into

consideration the economic benefit to the

country, on which the tax is borne by the

Government with effect from January 1,

2008); or

(b) goods or services to any infrastructure

development project funded through

foreign loans or donations directly to the

Government Ministries (with effect from

January 1, 2011);

and every such project shall be approved

by the Minister of Finance, and

Notification of such approval shall be

published in the Gazette;

(iii) any goods or services provided by any

society registered under the Co-operative

Societies Law, No. 5 of 1972, or under the

respective Statutes enacted by the

Provincial Councils providing for such

registration, or Lak Sathosa registered

under the Companies Act, No. 7 of 2007;

(6) by the addition immediately after paragraph

(g) of that Part, the following new paragraph :-

"(h) goods or services by an institution set up

by the Ministry of Defence for the

rehabilitation of disabled soldiers, in so

far as the activities are carried out by the

participation of such soldiers. (with effect

from January 1, 2011)".

Value Added Tax (Amendment) 21

Act, No. 9 of 2011

21. Any person or partnership supplying any goods or Exemption of

services having an annual turnover of a sum not exceeding certain small and

medium

rupees one hundred million who has defaulted in the payment

enterprises from

of taxes payable by him under this Act in respect of any the payment of

taxable period ending on or before December 31, 2010, due taxes payable by

to the existence generally of any conflict environment or them.

due to any financial constraints of such person or partnership,

shall be exempt from the payment of such charge as is in

default under this Act:

Provided that, the Commissioner-General of Inland

Revenue shall on a request made to him in that behalf, issue

to such person or partnership a Certificate of Exemption in

respect of the sum as in default:

Provided further, the person or partnership to whom the

Certificate of Exemption is issued, shall simultaneously

forward to the Commissioner-General of Inland Revenue a

written assurance to the effect that such person or partnership

shall be responsible for the payment of all sums which may

become payable by him under this Act, in respect of any

future taxable period commencing on or after January 1, 2011.

22. Any person who collects the Value Added Tax as Indemnity.

provided for in this Act during the period commencing from

December 31, 2010, and ending on the date of the coming

into operation of this Act, shall be deemed to have acted with

due authority and such collection shall be deemed to have

been, and to be, validly made and such person is hereby

indemnified against all actions civil or criminal, in respect of

any such collections.

23. 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.

Ports and Airports Development Levy 7

Act, No. 18 of 2011

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