

PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

NATION BUILDING TAX (AMENDMENT)

ACT, No. 10 OF 2014

[Certified on 24th April, 2014]

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Nation Building Tax (Amendment) 1

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L. D.—O. 6/2014.

AN ACT TO AMEND THE NATION BUILDING TAX ACT, NO. 9 OF 2009

BE it enacted by the Parliament of the Democratic Socialist

Republic of Sri Lanka as follows :—

1. This Act may be cited as the Nation Building Tax Short title and

(Amendment) Act, No. 10 of 2014 and shall be deemed to date of

operation.

have come into operation from January 1, 2014.

2. Section 3 of the Nation Building Tax Act, No. 9 of Amendment of

2009 as last amended by Act, No. 11 of 2013 (hereinafter section 3 of Act,

No. 9 of 2009.

referred to as the “principal enactment”) is hereby further

amended in subsection (2) of that section as follows :—

(1) by the substitution in paragraph (iii) thereof, for the

words, “other than any excepted service referred to in

the First Schedule to this Act,” of the following words

and figures:—

“other than any excepted service referred to in the

First Schedule to this Act:

Provided that, the liable turnover from the

supply of any financial service in Sri Lanka, by any

person carrying on the business of banking or

finance shall, notwithstanding anything contrary

in any other provision of this Act, be the value

addition attributable to such financial service,

calculated for the purposes of applying the

attributable method referred to in subsection (4) of

section 25C of the Value Added Tax Act, No. 14 of

2002, for the payment of Value Added Tax on the

supply of finanical services :

Provided further, that in calculating the value

addition attributable to such financial service, where

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the amount of profits for each relevant quarter cannot

be accurately ascertained, such amount may be

estimated on the basis of available information. The

estimated amount shall be adjusted to reflect the

actual amount with the audited statement of

accounts on yearly basis and such adjustment shall

be submitted within six months after the closing

date of the relevant accounting period.”;

(2) in paragraph (iv) –

(i) by the substitution for subparagraph (2) thereof

of the following subparagraph:—

“(2) (a) sugar, dhal, potatoes, onions, dried

fish, milk powder or chilies under the

provisions of the Special Commodity

Levy Act, No. 48 of 2007, where such

article is sold on or before December

31, 2013, by the importer of such

article; or

(b) any article which is subject to the

Special Commodity Levy under the

provisions of the Special Commodity

Levy Act, No. 48 of 2007, where such

article is sold on or after January 1,

2014, by the importer of such article

without any processing except for

adaption for sale;”;

(ii) by the substitution in subparagraph (7) thereof

for the words “producer thereof; and” of the

words “producer thereof;”;

(iii) by the substitution in subparagraph (8) thereof

for the words “in a filling station.” of the words

“in a filling station;”;

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(iv) by the addition immediately after subparagraph

(8) of that paragraph, of the following

subparagraphs:—

“(9) retail sale of any article at duty free

shops for payment in foreign currency;

and

(10) distribution of LP Gas.”.

3. The First Schedule to the principal enactment as last Amendment of

First Schedule of

amended by Act, No. 11 of 2013 ,is hereby further amended

the principal

as follows:— enactment.

(1) In PART I of that Schedule:—

(a) by the substitution for item (xiii) thereof, of the

following item:—

“(xiii) pharmaceuticals identified under

the Harmonized of Commodity

Descripion and Coding Numbers for

Custom purposes;”;

(b) by the substitution for item (xix) thereof, of the

following item:—

“(xix) locally manufactured tractors at the

point of sale;”;

(c) by the substitution in item (XLIV) for the words

“project implementation period; and” of the

words “project implementation period;”;

(d) by the substitution in item (XLV) for the words

“approved by the Minister of Finance.” of the

words “approved by the Minister of Finance;

and”;

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(e) by the insertion immediatly after item (XLV)

thereof the following new item:—

“(XLVI)locally manufactured coconut oil at the

point of sale by the manufacturer, for

a period of three years commencing

from January 1, 2014;”and;

(2) In PART II of that schedule :—

(a) by the substitution for item (i) thereof of the

following item:—

“(i) the business of Banking or Finance

for any period ended on or before

December 31, 2013;

(b) by the substitution for item (vi) thereof of the

following item:—

“(vi) the provision of finance leasing

facilities in respect of any movable

property;”;

(c) by the substitution for item (xxvi) thereof of

the following item:—

“(xxvi) services provided to or within any

port or airport in relation to

international transportation;”;

(d) by the substitution for item (xxviii) thereof of

the following item:—

“(xxviii) telecommunication services, in

respect of which the

telecommunication levy has been

paid under the Telecommunication

Levy Act, No. 21 of 2011;”;

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(e) by the substitution in item (xxxv) for the words

“Monetary Law Act (Chapter 422); and” of the

words “Monetary Law Act (Chapter 422);”;

(f) by the substitution in item (xxxvi) for the words

“on behalf of the Government.” of the words

“on behalf of the Government; and”;

(g) by the insertion immediately after the item

(xxxvi), of the following new item:—

“(xxxvii) the services provided by any relocted

international headquaters or regional

head office of any institution in the

international network, prescribed for

the purpose of Inland Revenue Act,

for payment in foreign currency.”.

4. Where the Commissioner-General of Inland Revenue Validation.

or the Director-General of Customs as the case may be,

collects under the provisions of section 4 or section 5

respectively of the principal enactment, the tax calculated

considering the provisions of this Act, during the period

commencing from January 1, 2014 and ending on the date

on which the cerificate of the Speaker is endorsed in respect

of this Act from a person to whom the provisions of this Act

applies, such collection shall be deemed for all purposes to

have been, and to be validly made:

Provided that the aforesaid provisions of this section shall

not affect any decision or order made by any Court or any

proceedings pending in any Court in respect of any tax

collected during the aforesaid period.

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

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

an inconsistency.

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