



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**INLAND REVENUE (SPECIAL PROVISIONS)
ACT, No. 7 OF 2002**

[Certified on 5th June, 2002]

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L.D.-O. 24/2002

AN ACT TO ENABLE PERSONS WHO HAVE NOT FURNISHED A RETURN OF INCOME OR A FULL RETURN OF THE INCOME FOR ANY YEAR OF ASSESSMENT COMMENCING PRIOR TO APRIL 1, 2002, TO MAKE A DECLARATION IN RESPECT THEREOF, TO INDEMNIFY SUCH PERSONS AGAINST LIABILITY TO PAY CERTAIN TAXES AND AGAINST INVESTIGATIONS, PROSECUTIONS OR PENALTIES IN RESPECT THEREOF, WITH A VIEW TO SECURING COMPLIANCE IN THE FUTURE BY SUCH PERSONS WITH TAX LAWS; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

1. This Act may be cited as the Inland Revenue (Special Provisions) Act, No. 7 of 2002.

Short title.

2. Any person who, under the law for the time being in force relating to the imposition of income tax, is liable to pay income tax for any year of assessment commencing prior to April 1, 2002, and who has not furnished in respect of such year of assessment a return in relation to his profits and income or any part thereof, which is liable to income tax, and who—

Declaration to be made to the Commissioner - General in respect of undeclared profits.

(a) invests prior to April 1, 2003, the monies representing such undeclared profits and income –

(i) in agriculture, industry or utility services; or

(ii) in any security issued under the Registered Stocks and Securities Ordinance (Chapter 420) ; or

(b) has invested, prior to April 1, 2002, the monies representing such undeclared profits and income in the purchase of any movable or immovable property or in the construction of buildings for industrial, commercial, agricultural or residential purposes,

shall make a declaration in respect of the same to the Commissioner-General setting out the full particulars of such investment or purchase, together with proof thereof. Such

declaration shall, in case of an investment referred to in paragraph (a), be made within a period of two months of the date of the making of such investment or before May 31, 2003, whichever is earlier, and in the case of a purchase or construction referred to in paragraph (b), be made before May 31, 2003.

Person making a declaration not liable to income tax or surcharge on income tax.

3. Where any person makes a declaration in terms of the provisions of section 2 and tenders proof in respect of such investment, purchase or construction, to the satisfaction of the Commissioner-General –

(a) where the investment is in agriculture, industry, or utility services or in any security issued under the Registered Stocks and Securities Ordinance (Chapter 420), such person shall not be liable to the payment of any additional income tax or surcharge on income tax in respect of any such year of assessment ;

(b) where the monies representing such undeclared profits and income have been utilized for the purchase of any movable or immovable property or in the construction of buildings for industrial, commercial, agricultural or residential purposes, such person shall not be liable to the payment of any additional income tax or surcharge on income tax in respect of any such year of assessment.

Person making declaration not liable to any investigation, penalty or prosecution for any offence.

4. Any person who makes a declaration under section 2 and tenders proof in respect thereof, shall not be liable for any investigation, penalty or prosecution for any offence under any law for the time being applicable to the imposition of income tax or surcharge on income tax, in respect of any such year of assessment.

Sinhala text to prevail in case of inconsistency.

5. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

6. In this Act, unless the context otherwise requires – Interpretation.

“Commissioner-General” shall have the same meaning as in the Inland Revenue Act, No. 38 of 2000; and

“undeclared profits and income” means any profits and income chargeable with income tax under the law for the time being applicable to the imposition of income tax in respect of which a person has not furnished a return of income or which has not been declared in a return furnished by such person.

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