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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 1708/34 - 2011 ජූනි 03 වැනි සිකුරාදා - 2011.06.03

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(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

INLAND REVENUE ACT, No. 10 OF 2006

Order under Subsection 17A

BY virtue of the powers vested in me by Section 17A of the Inland Revenue Act, No. 10 of 2006, I Mahinda Rajapaksa, Minister of Finance and Planning do by this Order :

- (a) prescribe, that the activities referred to in Part I of the Schedule to this Order, for the purposes of sub-section (2) of that section, in relation to any company referred to in that Section ; and
- (b) grant the respective periods of exemption, in relation to the profit and income of such new undertaking, as referred to in Column II of Part I, of any company carrying on such new undertaking investing in any such activity not less than the corresponding quantum specified in Column I of Part II of that Schedule, and where such investment is made in full not later than one year from the commencement of corresponding tax exemption period specified in Column II of Part II of that Schedule,

MAHINDA RAJAPAKSA,
Minister of Finance and Planning.

Ministry of Finance and Planning,
Colombo.
29th April, 2011.

SCHEDULE

PART I

ACTIVITIES

1. Agriculture or Forestry :
 - Cultivation of food crops, industrial crops, or horticulture
 - Forestry
2. Animal Husbandry :
 - Dairy, poultry, swine, goat etc.

3. Manufacture :

- For export market including deemed export :
 Manufacture, production or processing of non-traditional goods *
- For the domestic and/or export market, the manufacture of :
 - Boats
 - Pharmaceuticals
 - Tyres and tubes
 - Motor spare parts
 - Furniture
 - Ceramics, glassware or other mineral based products
 - Rubber based products
 - Cosmetic products
 - Edible products manufactured out of locally cultivated agricultural products
 - Construction materials

* Exports of non-traditional goods (including deemed/indirect exports) should be not less than ninety per centum (90%) of the volume of its output of each category of item at HS six digit level.

However the Minister of Finance reserves the right to withdraw the permission granted for local sales in the event of a substantial injury to the domestic industry.

4. Services :

- Provided to a person or partnership outside Sri Lanka *
- Tourism/Tourism related projects
- Providing hotel services guest houses or similar services
- Infrastructure projects including construction of commercial buildings
- Development of any warehousing or storage facility
- Power generation using renewable resources
- Establishment of industrial estates, special economics zones or knowledge cities
- Urban housing or town center development
- Provision of any sanitation facility or waste management systems
- Development of water services
- Development of Internal waterways, and/or related transport (passenger/freight)
- Construction of hospitals and provision of healthcare services
- Maintenance/repair of maritime vessels or aircrafts
- Sporting services (eg. motor racing/golf course)
- Software development
- Any project in light or heavy engineering industry
- Artificial insemination for cattle (dairy development)
- Higher education/skill development /adult education

* For services provided outside Sri Lanka, seventy per centum (70%) of its turnover should be in convertible foreign currency.

5. Any other manufacture of products or supply of services which could be considered as having economics benefits to the country and approved by the Minister of Finance.

Part II

<i>Column I</i> <i>Amount of Investment *</i>	<i>Column II</i> <i>Period of exemption</i>
Not less than an amount equivalent to 3 Million US\$	5 years
Not less than an amount equivalent to 5 Million US\$	6 years
Not less than an amount equivalent to 7 Million US\$	7 years

* The minimum investment value in Part II Column I should consist of the value of “Fixed assets” such as land, plant machinery and equipment

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