

**List of Exempt Profits and Income from Income Tax**  
**Year of Assessment - 2015/2016**

Reference		Item
Act	Section	
No 10 of 2006	<b>9(a)</b>	The interest accruing to any company outside Sri Lanka from any loan granted by that company.
No 18 of 2013	<b>9(aa)</b>	The interest accruing to any person outside Sri Lanka from investment made out of foreign currency, in any security or bond issued by any person in Sri Lanka
No 10 of 2006	<b>9(b)</b>	The interest accruing to any person outside Sri Lanka, from any security, note or coupon issued by the Government of Sri Lanka in respect of a loan granted in foreign currency
No 10 of 2006	<b>9(c)</b>	The interest accruing to any person from moneys lying to his credit in a special account opened by him or on his behalf in a commercial bank , of sums obtained by him by the exchange of foreign currency held by him outside Sri Lanka;
No 10 of 2006	<b>9(d)</b>	The interest accruing to any person on moneys lying to his credit in foreign currency in any account opened by him or on his behalf , in any commercial bank or in any specialised bank,
No 10 of 2006	<b>9(e)</b>	The interest accruing to any person on moneys invested in Reconstruction Bonds issued by the Government of Sri Lanka, denominated in United States Dollars;
No 10 of 2006	<b>9(g)</b>	The interest accruing to any person on moneys lying to his credit in foreign currency with any foreign currency banking unit;
No 10 of 2007	<b>9(k)</b>	The interest accruing to any person from any money deposited in any Securities Investment Account;
No 9 of 2008	<b>9(m)</b>	The interest accruing or arising on or after April 1, 2008, from any investment made outside Sri Lanka to any person resident in Sri Lanka, where such interest is remitted to Sri Lanka through a bank.
No 18 of 2013	<b>9(o)</b>	The interest or discount accruing or arising to any person from any investment made in any Corporate Debt Security and in any Municipal Bond on or after January 1, 2013
No 10 of 2006	<b>10(a)(i)</b>	Any dividend paid by a BOI company to any person, during the period for which the profits and income of that company are exempt from income tax or within one year thereafter, out of the profits and income of the company which are exempt from income tax;
No 10 of 2006	<b>10(a)(ii)</b>	Dividend paid by the BOI company to any person, who is not resident in Sri Lanka
No 10 of 2006	<b>10(b)</b>	Any dividend paid to a unit holder by any unit trust or mutual fund
No 10 of 2006	<b>10(e)</b>	Any dividend out of the profits of any BOI company from the operation of a hospital with facilities for paying and nonpaying patients for indoor and outdoor treatment, paid during the five years from the commencement of operations
No 10 of 2006	<b>10(f)</b>	Any dividend paid out of the profits of any BOI company to which mining licence has been issued under mines and minerals Act No 33 of 1992 (subjected to the requirement of the IRD Act)
No 10 of 2006	<b>10(g)</b>	Any dividend paid to a shareholder of a company out of such profits and income of that company arising on or after April 01, 1977, which are exempt from income tax under sections specified in the IRD Act.
No 10 of 2006	<b>10(h)</b>	Any dividend paid to a shareholder of a company out of any such dividend received by that company during the period for which the dividends as is referred to in paragraphs (a), (c), (d), (e), (f), or (g) respectively, are exempt from income tax, if the first mentioned dividend is paid during any year of assessment in which the second mentioned dividend was received by that company or within one year thereafter ;
No 10 of 2006	<b>10(i)</b>	Any dividend paid to a shareholder of a company out of any such dividend as is referred to in paragraphs (a), (c), (d), (e), (f) or (g) respectively, received by that company through one or more intermediary companies during the period for which the dividends referred to in paragraphs (a), (c), (d), (e), (f), (g) are exempt from income tax, or within two years thereafter, if the first mentioned dividend is paid during the year of assessment in which the second mentioned dividend was received or within one year thereafter;
No 9 of 2008	<b>10(j)</b>	Any dividend paid by a company not resident in Sri Lanka to any shareholder resident in Sri Lanka, where the amount of such dividend is remitted to Sri Lanka through a bank;
No 8 of 2012	<b>10(k)</b>	Any dividend paid to a shareholder of a company out of such profits and income are exempt from income tax under section 16C or section 17a of this Act, if such dividend is paid during the period for which such profits and income are exempt from income tax, if such company is a resident & engaged in construction project then exemption shall be applicable to the period for such profits and income are exempt from income tax or within one year thereafter.

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No 8 of 2014	<b>10(l)</b>	Any dividend paid to a shareholder of a company out of such dividend as is referred to in paragraph (j), received by that company, if the first mentioned dividend is paid within three months of the receipt of the second mentioned dividend by that company.
No 10 of 2006	<b>12(a)</b>	Any sum paid to any person as a subsidy or grant out of the Capital Fund, established under the Sri Lanka Tea Board
No 10 of 2006	<b>12(b)</b>	Any sum paid to any person as a subsidy or grant out of the rubber Replanting Subsidy Fund
No 10 of 2006	<b>12(c)</b>	Any sum paid to any person as a subsidy or grant by the Coconut Cultivation Board
No 10 of 2006	<b>12(d)</b>	Any sum paid to any person as a subsidy or grant by the Ministry of the Minister in charge of the subject of Fisheries , for the purchase by such person of fishing boats, marine engines, fishing gear and other fishing equipment;
No 10 of 2006	<b>12(e)</b>	Any sum paid to any person as a subsidy or grant out of the Export Development Fund
No 10 of 2006	<b>12(f)</b>	Any sum paid to any person as a subsidy or grant under any other scheme for the planting or replanting of any other agricultural plant
No 10 of 2006	<b>12(g)</b>	Any sum paid to any person as a subsidy or grant out of the Mill Development Fund, administered by the Coconut Development Authority .
No 10 of 2006	<b>13(b)</b>	The profits and income earned in foreign currency by rendering services outside Sri Lanka by a resident company
No 11 of 2011	<b>13(bb)</b>	The profits and income earned in foreign currency by any manufacturer of textile, leather products, footwear or bags, from supplies made to any foreign buyer .
No 18 of 2013	<b>13(bbb)</b>	The profits and income earned in foreign currency by any person, in respect of any business of procuring goods from one country or manufacturing goods in one country and exporting to another country, other than Sri Lanka.
No 10 of 2006	<b>13(d)</b>	The profits and income earned in foreign currency by any resident company from professional services rendered outside Sri Lanka.
No 10 of 2007	<b>13 (dd)</b>	The profits and income earned in foreign currency by any resident company from carrying out any construction project outside Sri Lanka
No 9 of 2008	<b>13(ddd)</b>	The profits and income earned in foreign currency by any resident company in Sri Lanka, from any service rendered in or outside Sri Lanka other than any commission, discount or similar receipt for any such service rendered in Sri Lanka.
No 10 of 2006	<b>13 (i)</b>	The profits and income arising to any person from the export of gold, gems or jewellery ;
No 9 of 2008	<b>13(ii)</b>	The profits and income arising from the cutting and polishing of gems which are brought to Sri Lanka and exported after such cutting and polishing;
No 10 of 2006	<b>13(j)</b>	The profits and income arising from the sale for payment in foreign currency, of any gem or jewellery, being a sale made in Sri Lanka by any person authorized by the Central Bank of Sri Lanka to accept payment for such sale in foreign currency;
No 10 of 2006	<b>13(k)</b>	Any prize received by a person as an award made by the President of the Republic of Sri Lanka;
No 10 of 2006	<b>13(l)</b>	Any prize received by a person as an award made by the Government in recognition of an invention created, or any research undertaken, by such person;
No 10 of 2006	<b>13(m)</b>	Any sum received by a person from the President's Fund established by the President's Fund Act, No. 7 of 1978
No 10 of 2006	<b>13(n)</b>	Any sum received by a person from the National Defence Fund established by the national defence fund Act no 9 of 1985
No 10 of 2006	<b>13(o)</b>	Any sum as does not exceed three thousand rupees paid by Sri Lanka Bureau of Foreign Employment to any person or partnership carrying on the business of a foreign employment agency, in respect of any Sri Lankan for whom employment outside Sri Lanka has been provided or secured.
No 10 of 2006	<b>13(p)</b>	Such part of any sum as does not exceed three thousand rupees received in any year of assessment by the Sri Lanka Bureau of Foreign Employment in respect of any Sri Lankan for whom employment outside Sri Lanka has been provided or secured by such Bureau;
No 19 of 2009	<b>13(qq)</b>	One half of the profits and income of any person for any year of assessment commencing on or after April 1, 2009, derived from the sales or from any other means of any book written by him and whether published by himself or by any other person, for a period of one year commencing from the date of its first publication;

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No 19 of 2009	<b>13(qqq)</b>	One half of the profits and income of any person for any year of assessment commencing on or after April 1, 2009, derived from the production of any drama, for a period of one year commencing from the date of its first public performance.
No 19 of 2009	<b>13(qqqq)</b>	Any export development rebate paid to an exporter by the Export Development Board under the Export Development Reward Scheme;
No 10 of 2006	<b>13(s)</b>	Any profits and income derived by, arising from or accruing to any person from the sale of any bond, debenture or other debt instrument issued by a company and held by him
No 10 of 2007	<b>13(t)(i)</b>	Any profits and income for the year of assessment commencing on April 1, 2006, derived by or accruing to any person or partnership other than any unit trust, mutual fund or venture capital company
No 10 of 2007	<b>13(t) (ii)</b>	Any profits and incom for any year of assessment commencing on or after April 1, 2007, derived by or accruing to any person or partnership, from the sale of any share; a right to any share, a bonus share or a share warrant in respect of wich the share transaction levy has been charged. .
No 8 of 2012	<b>13(tt)</b>	The profits and income accruing to any person from the redemption of a unit of a Unit Trust or a Mutual Fund;
No 10 of 2006	<b>13(v)</b>	The profits and income of any person or any partnership derived from the participation as a competitor, official or organizer of any sporting or athletic event held in Sri Lanka and at which competitor from outside Sri Lanka participates.
No 10 of 2006	<b>13(x)</b>	An amount equal to the interest payable to any bank in Sri Lanka, in respect of any loan granted to a company, the full amount of which is invested :— (i) in any new undertaking referred to in subsection (2) of section 20, where such company is a company referred to in that section ; and (ii) in any relocated undertaking referred to in subsection (2) of section 21, where such company is a company referred to in that section;
No 9 of 2008	<b>13(xx)</b>	An amount equal to the interest payable to any bank in Sri Lanka in respect of any loan granted, where the full amount of such loan is invested in any new undertaking referred to in section 24c;
No 19 of 2009	<b>13(xxx)</b>	An amount equal to the interest or the discount paid or allowed, as the case may be, to any non resident person or to any licensed commercial bank in Sri Lanka, by the issuer of any sovereign bond denominated in foreign currency, issued on or after October 21, 2008 by or on behalf of the Government of Sri Lanka;
No 19 of 2009	<b>13(xxxx)</b>	An amount equal to the interest or the discount paid or allowed, as the case may be, to any person on or after April 1, 2009, on any Sri Lanka Development Bond denominated in United States Dollars, issued by the Central Bank of Sri Lanka;
No 19 of 2009	<b>13(xxxxx) (i)</b>	The profits and income derived by or accruing to any non resident person or any licensed commercial bank from the sale of any sovereign bond
No 19 of 2009	<b>13(xxxxx) (ii)</b>	The profits and income derived by or accruing to any person from the sale of any Sri Lanka Development Bond.
No 22 of 2011	<b>13(xxxxxx) (i)</b>	An amount equal to the interest payable to any bank or other financial institution in Sri Lanka, in respect of any loan granted out of the moneys lying into the credit of the Investment Fund account of such bank or institution, maintained and operated in accordance with the guidelines set by the Central Bank
No 22 of 2011	<b>13(xxxxxx) (ii)</b>	An amount equal to the interest payable to any bank or other financial institution in Sri Lanka, in respect of any loan granted-to any company for investing in full in an undertaking referred to in section 16C; and to any person or partnership for investing in full for the operation of re-opened abandoned factory.
No 18 of 2013	<b>13 (xxxxxxx) (i)</b>	Any profits and income from any investment made on or after January 1, 2013 in any Corporate Debt Security in any Stock Exchange Licensed by the SEC
No 18 of 2013	<b>13 (xxxxxxx)(ii)</b>	Any profits and income from any investment made on or after January 1, 2013 in any Municipal Bond issued by any Municipal Council with the approval of the Secratery to the Ministry of Finance
No 18 of 2013	<b>13(xxxxxxxx)</b>	The interest earned by the DFCC Bank and National Development Bank PLC from moneys lent out of funds raised from outside Sri Lanka to Small and Medium enterprises, plantations, construction industry or other manufacturing industries.
No 10 of 2006	<b>13(y)</b>	Any royalty received by a non-resident person from a BOI company (agreement entered into before 2004.04.01)

Reference		Item
Act	Section	
No 9 of 2008	13(yy)	Any profits and income arising or accruing to any company outside Sri Lanka, from any payment made in respect of the use on or after April 1, 2008, of any plant, machinery or equipment supplied by such company to the Government of Sri Lanka, any public corporation, any Government Institution or to any other undertaking, for the use in any project approved by the Minister as being essential for the economic development of Sri Lanka;
No 19 of 2009	13(yyyy)	The profits and income arising or accruing to any person from any undertaking for the operation of any port terminal in Sri Lanka;
No 22 of 2011	13(yyyyyy)	The profits and income from any service rendered by any person or partnership in any port in Sri Lanka in the course of any business carried on within such port;
No 8 of 2012	13(yyyyyyy)	Any royalty received in foreign currency by any person resident in Sri Lanka from outside Sri Lanka, if such royalty is remitted to Sri Lanka through a bank;
No 18 of 2013	13(yyyyyyyy)	Any Royalty received by any company from where the investment made in Sri Lanka from foreign direct investment raised outside Sri Lanka exceeds US 50 Million considered by DG of BOI
No 8 of 2014	13(yyyyyyyyy)	The profits and income of any person resident in Sri Lanka who acquires any internationally recognized intellectual property on or after April 1, 2014 and who earns profits and income by way of royalty out of such intellectual property, if such royalty is received in foreign currency and remitted to Sri Lanka through a bank
No 10 of 2006	13(z)	Any winning from a lottery, the gross amount of which does not exceed five hundred thousand rupees;
No 9 of 2008	13(zzz)	The profits and income of any undertaking for the construction and sale of houses for low income families under a scheme approved by the Urban Development Authority or the National Housing Authority, being houses the floor area of which does not exceed five hundred square feet, if the sale of any such house takes place before April 1, 2013;
No 19 of 2009	13(zzzz)	The profits and income derived by or accruing to any person or partnership from investment in Economic Resurgence Certificates.
No 22 of 2011	13(zzzzz)	The profits and income arising or accruing to any person from any undertaking for the construction of any Port in Sri Lanka.
No 8 of 2012	13(zzzzzz)	The profits and income arising or accruing to any person from the administration of any sports ground, stadium or sports complex.
No 18 of 2013	13(zzzzzzz)	Where an individual who is a citizen of Sri Lanka, employed abroad returns to the country on or after January 1, 2013 and invests his earnings from employment abroad to commence any business of manufacture of any article, other than liquor or tobacco products, or provision of any service, the profits and income of such person from such business for a period of five years commencing from the beginning of the year of assessment in which the commercial operations of such business commenced.
No 8 of 2014	13(zzzzzzzz)	The profits and income arising or accruing to any company, partnership or body of persons in a country outside Sri Lanka, from any payment made for the use of any computer software, by Sri Lankan Air Lines Ltd or Mihin Lanka (Pvt) Ltd, as a special requirement of such Airlines, if a Double Taxation Avoidance Agreement providing relief for double taxation of such profits and income is not in force between Sri Lanka and that country or tax is not payable in such country on such profits and income
No 22 of 2011	16 A	The profits and income of fishing undertaking upto 31.3.2016
No 22 of 2011	16 B	The profits and income of undertaking for producing agricultural seeds or planting materials up to 31.3.2016
No 22 of 2011	16C	The profits and income of any new undertaking investing not less than fifty million Rupees (subjected to the requirement of the IRD Act)
No 8 of 2012	16D	The profits and income of strategic import replacement undertakings engaged in the manufacture of specified products referred to in column 1 of the schedule thereto
No 18 of 2013	16E	The profits and income of cultivation of any renewable energy crops and transactions connected with manufacturing, distribution and marketing of organic fertilizer
No 10 of 2006	17	The profits and income of any company from any specified undertaking (subjected to the requirement of the IRD Act)
No 22 of 2011	17A.	The profits and income of any new undertaking engaged in any specified activities (subjected to the requirement of the IRD Act)
No 10 of 2006	18	The profits and income of certain undertakings for infrastructure development. (subjected to the requirement of the IRD Act)
No 10 of 2006	19	The profits and income of small scale infrastructure undertakings. (subjected to the requirement of the IRD Act)

Reference		Item
Act	Section	
No 10 of 2006	<b>20</b>	The profits and income of new industrial undrtakings. (subjected to the requirment of the IRD Act)
No 10 of 2006	<b>21</b>	The profits and income of any relocated undertaking. (subjected to the requirment of the IRD Act)
No 9 of 2008	<b>21 A</b>	The profits and income of undertakings relocated from certain districts. (up to 31.03.2015)
No 10 of 2006	<b>22</b>	The profits and income of company engaged only in research and development. (subjected to the requirment of the IRD Act)
No 10 of 2006	<b>23</b>	The profits and income of venture capital company. (subjected to the requirment of the IRD Act)
No 10 of 2006	<b>24</b>	The profits and income of business of providing Manor Houses or Thematic Bungalows to tourists.(subjected to the requirment of the IRD Act)
No 10 of 2007	<b>24A.</b>	The profits and income of exhibiting cinematographic films in any new or upgrated cinama. (subjected to the requirment of the IRD Act)
No 9 of 2008	<b>24C.</b>	The profits and income of any new undertakings located within the Eastern Province. (subjected to the requirment of the IRD Act)
No 9 of 2008	<b>24D.</b>	The profits and income of any new undertaking located in any lagging region. (subjected to the requirment of the IRD Act)
No 9 of 2008	<b>24D.</b>	The profits and income of any new undertaking located in any lagging region. (subjected to the requirment of the IRD Act)