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உள்ளநாட்டு இறைவரித் திணைக்களம்
DEPARTMENT OF INLAND REVENUE

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14 වන මහල
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செயலகம்
14 வது மாடி
உள்ளநாட்டு இறைவரித் திட்டம்
சேர் சிற்றம்பலம் ஏ காடினர் மாவத்தை
த.பெ.இல. 515, கொழும்பு 2 - இலங்கை

Secretariat
14th Floor
Inland Revenue Building
Sir Chittampalam A Gardiner Mawatha
P.O. 515, Colombo 2 - Sri Lanka

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E-Mail – cgir@slt.net.lk
Web: www.ird.gov.lk

My No: SEC/2018/03

March 29, 2018

**Chief Executive Officers / General Managers/ Country Heads of Commercial Banks
and Specialized Banks**

Dear Sir/ Madam,

Furnishing of Tax Clearance Certificate to Banks

Please be informed that the circular issued on 16.11.2017 in respect of outward remittances made by commercial banks and authorized dealers have been revised. Therefore, you are kindly requested to comply with this circular with immediate effect.

As per the Exchange Control Act, remitter may be permitted to make outward remittances, but in order to comply with the provisions of the Inland Revenue Act; a clearance should be obtained from the Commissioner General unless the purpose of such remittance is either under any occasion as set out below or for import of any tangible good.

A clearance certificate is not required in relation to following remittances.

- (i) Remittances of sale proceeds of quoted shares owned by non-residents in companies resident in Sri Lanka.
- (ii) Remittances of dividends paid to non-resident shareholders if Withholding Tax on dividends has been paid.
- (iii) Foreign investments made by resident companies of Sri Lanka in line with the guideline issued by the Central Bank of Sri Lanka (CBSL).
- (iv) Transportation expenses in relation to freight forwarding, courier services and airline services involving the carriage of passengers and goods, subject to submission of an annual clearance certificate obtained from the Commissioner General (for this

- purpose the annual clearance is issued based on the financial statements of accounts submitted with the return of income for the previous year of assessment).
- (v) Payments to employees including directors of the companies of wages, salaries and other benefits which have been subjected to tax under the PAYE Scheme (T10 Certificate or salary slip issued for the purpose of Stamp Duty Act has to be produced in proof of deduction of PAYE Tax). If the T10 certificate or salary slip is not produced, it is required to submit a copy of the clearance certificate obtained by the employer from the Commissioner General on behalf of such employees with regard to the exemption on the employment income.
 - (vi) Remittances by export companies in respect of services in relation to advertising (subject to periodical clearance from the Inland Revenue), sales promotion, marketing and trade fairs performed outside Sri Lanka.
 - (vii) Remittances by export companies in respect of registration of trademarks outside Sri Lanka.
 - (viii) Remittances in relation to annual subscription for membership of professional bodies, or periodical subscription for journals, magazines and other publication.
 - (ix) Remittances made in relation to course fees, examination fees, enrolment fees, living expense and payments of similar nature in respect of students.
 - (x) Remittances in respect of visa expenses, medical expenses, air travel expenses and expenses on hotel accommodation abroad.
 - (xi) Capital repayment of foreign loans obtained by resident companies.
 - (xii) Payments made from one country to another other than Sri Lanka (except account holder is resident in Sri Lanka), on instructions directly from clients outside Sri Lanka.
 - (xiii) Payments relating to participation in foreign seminars, conferences & delegations including registration fees.
 - (xiv) Any remittances made through Personnel Foreign Currency accounts(PFC)


To obtain the **Clearance Certificate** the remitter is required to submit an application attached to this circular to the **International Tax Unit** along with a copy of the invoice, a copy of the agreement and/or any other proof to enable the officers to verify the transaction relation to the outward remittance.

The Clearance Certificate will be issued within 24 hours by the International Tax Unit if the necessary documents are produced. The Remitter can apply for a Blanket Clearance where there is no income tax liability subject to the satisfaction of the Commissioner, International Unit. Such clearance will be issued covering certain period of time. At any given point, IRD officers may visit banks to scrutinize the accuracy of remitting money based on the clearances issued by the IRD.

If the customer needs any information, please request him to contact:

The Commissioner
International Tax Unit
10th Floor
Inland Revenue Department
Colombo 02
Telephone – 2135030

Yours faithfully,


Ivan Dissanayake

Ivan Dissanayake
Commissioner General of Inland Revenue
Department of Inland Revenue
Sir Chittampalam A Gardiner Mawatha
Colombo 02

Commissioner General of Inland Revenue

Copies to :

1. Secretary to the Ministry of Finance and Planning
 2. Controller of Exchange, Department of Exchange Control
 3. Director, Banks Supervision Branch
 4. Secretary, Sri Lanka Banks' Association (Guarantee) Limited
 5. Auditor General, Auditor General's Department
- } for circulation to all commercial banks and authorized dealers

Tax Clearance Application

Registration Number

<p>1 <u>Details of Remitter</u></p> <p>Local Company Name - -</p> <p>.....</p> <p>Address -</p> <p>.....</p> <p>TIN -</p>	<p><u>Details of Remittee</u></p> <p>Foreign Company Name -</p> <p>.....</p> <p>Country -</p> <p>Tax File Number (If Available)</p> <table style="width: 100%; text-align: center;"> <tr> <td style="border: 1px solid black; padding: 2px;">13/.....</td> <td style="border: 1px solid black; padding: 2px;">13/IND/.....</td> <td style="border: 1px solid black; padding: 2px;">13/P/.....</td> </tr> </table>	13/.....	13/IND/.....	13/P/.....
13/.....	13/IND/.....	13/P/.....		

2 Details of Remittance

Nature of Remittance -

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Invoice Numbers -

Total Invoice Value	Remittance Amount	Currency

3 Tax Calculation (Applicable for Tax Liabe cases Only)

<p>• If Net Amount Remit</p> <table style="width: 100%; text-align: center; margin-top: 10px;"> <tr> <td style="border: 1px solid black; width: 150px; height: 20px;"></td> <td style="font-size: 2em; vertical-align: middle;">X</td> <td style="text-align: center;"> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">(Applicable Tax Rate)</div> </td> <td style="font-size: 2em; vertical-align: middle;">/</td> <td style="text-align: center;"> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">100</div> </td> </tr> <tr> <td style="font-size: 0.8em;">(Invoice Amount)</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p style="margin-top: 10px;">Currency <input style="width: 40px;" type="text"/> Tax Amount <input style="width: 100px;" type="text"/></p>		X	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">(Applicable Tax Rate)</div>	/	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">100</div>	(Invoice Amount)					<p>• If Gross Amount Remit</p> <table style="width: 100%; text-align: center; margin-top: 10px;"> <tr> <td style="border: 1px solid black; width: 150px; height: 20px;"></td> <td style="font-size: 2em; vertical-align: middle;">X</td> <td style="text-align: center;"> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">(Applicable Tax Rate)</div> </td> <td style="font-size: 2em; vertical-align: middle;">/</td> <td style="text-align: center;"> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">100 -</div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">(Applicable Tax Rate)</div> </td> </tr> <tr> <td style="font-size: 0.8em;">(Invoice Amount)</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p style="margin-top: 10px;">Currency <input style="width: 40px;" type="text"/> Tax Amount <input style="width: 100px;" type="text"/></p>		X	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">(Applicable Tax Rate)</div>	/	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">100 -</div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="text-align: center; font-size: 0.8em;">(Applicable Tax Rate)</div>	(Invoice Amount)				
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(Invoice Amount)																					
<p>Applicable Exchange Rate & Date <input style="width: 60px;" type="text"/> <input style="width: 60px;" type="text"/></p>	<p>Tax Paid Amount (LKR) <input style="width: 150px;" type="text"/></p>																				

4 Remarks (If available) -

.....

❖ Please attach Copy of Invoices, Copy of Agreement (If Available) & Copy of paying-in-slip

Name -

.....

Designation & Contact Number -

.....

Authorized Signature

<p><u>For Office Use Only</u></p> <p>Officer Name <input style="width: 150px; height: 25px;" type="text"/></p> <p>Signature <input style="width: 150px; height: 40px;" type="text"/></p>	<p>Direction -</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>
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