



INLAND REVENUE DEPARTMENT
Notice to the Commercial Banks & Authorized Dealers and
the Special Deposit Account (SDA) Holders

Income Tax Exemption on Interest Accrued or
Derived from Special Deposit Account

As instructed by the Ministry of Finance on September 11, 2020, following income tax exemption has been proposed and granted subject to the formal amendment being made to the Inland Revenue Act No. 24 of 2017.

- *Interest accruing or derived by any person who has opened term deposit accounts titled as **Special Deposit Account** during the period from April 8, 2020 to October 7, 2020 in accordance with the regulations issued by the Minister of Finance (Gazette Number 2170/4 and 2182/32) under Section 29 read with Section 7 of the Foreign Exchange Act, No. 12 of 2017, either in any designated foreign currency or in Sri Lanka Rupees.*

Accordingly, all Commercial Banks and Authorized Dealers are hereby informed that the deduction of Withholding Tax (WHT) or Advance Income Tax (AIT) is not required on the above exempted interest.

For any clarifications, please contact Tax Policy and Legislation Unit

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