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உள்ளநாட்டு இறைவரித் திணைக்களம்  
DEPARTMENT OF INLAND REVENUE

ලේකම් අංශය  
14 වන මහල

දේශීය ආදායම් ගොඩනැගිල්ල  
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කැ.පෙ. 515, කොළඹ 2- ශ්‍රී ලංකාව

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/ 2337777

செயலகம்

14 வது மாடி

உள்ளநாட்டு இறைவரிக் கட்டிடம்  
சேர் சிற்றம்பலம் ஏ காடினர் மாவத்தை  
த.பெ.இல. 515, கொழும்பு 2 - இலங்கை

දුරකථන/ தொலைபேசி / Telephone - 011- 2135412 / 2135413

Secretariat

14<sup>th</sup> Floor

Inland Revenue Building  
Sir Chittampalam A Gardiner Mawatha  
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Web: www.ird.gov.lk

My No: SEC/2017/05

16.11.2017

**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 26.03.2014 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 for the purpose of the Inland Revenue Act, a clearance should be obtained from the Commissioner General unless the purpose of such remittance is set out below.

**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 expatriate employees including wages, salaries and other benefits which have been subjected to tax under the PAYE Scheme (T10 Certificates have to be produced). If the T10 certificate 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) and marketing 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 student fees, examination fees, enrolment fees and payments of similar nature
- (x) Remittances in respect of visa expenses, medical 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

**Clearance Certificate will be issued within 24 hours by the International Unit at present** subject to the production of necessary documents and such service will be provided through RAMIS system by the **Business Consultation Unit** in future. (The date of implementation will be notified).

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 Unit**  
**10<sup>th</sup> Floor**  
**Inland Revenue Department**  
**Colombo 02**  
**Telephone – 2135030**

**The Assistant Commissioner**  
**Business Consultation Unit**  
**2<sup>nd</sup> Floor**  
**Inland Revenue Department**  
**Colombo 02**  
**Telephone -2135135**

Yours faithfully,



Ivan Dissanayake

Commissioner General of Inland Revenue

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

**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