

Instructions to taxpayers for requesting a private ruling

As stipulated in section 107 (1) of the Inland Revenue Act, No. 24 of 2017 (Act), taxpayers may apply to the Commissioner General of Inland Revenue (CGIR) for a private ruling regarding the application of the Act.

Accordingly, the CGIR is statutorily empowered under section 107(2) of the Act to appoint a Committee known as the “Interpretation Committee” to review such application and to issue private ruling as appropriate on behalf of the CGIR.

Role of the Interpretation Committee

On the basis of assumptions about future events or other matters as considered appropriate, issue private rulings setting out the CGIR’s position regarding the application of the Act to a transaction entered into, or proposed to be entered into, by the taxpayer and act on private rulings in accordance with the provisions of sections 107,108,109,110 and 111 of the Act.

Composition of the Committee

The Committee comprises of a Chairman, ten members and a secretary appointed by the CGIR.

The process of issuing a private ruling

1. The process of issuing a private ruling begins with the completion and submission of the written application addressed to the Chairman, Interpretation Committee, and forwarded to:

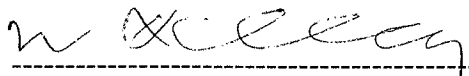
The Secretary
Interpretation Committee
Secretariat,
14th Floor,
Department of Inland Revenue,
Colombo 02.

2. The written application should include the following required details
 - i. Name of the taxpayer

- ii. Taxpayer's Identification Number
 - iii. Nature of the business
 - iv. Type of tax for which the ruling is applied and other taxes registered
 - v. If the application is forwarded through a tax professional, include his registered agent number and practice name
 - vi. Year of Assessment or taxable period to be covered by the ruling
 - vii. Specify precisely the question on which the ruling is required
(Full description of the facts or circumstances including all material facts, transaction dates and the names of relevant parties involved and any other accurate information relevant to provide a specific ruling)
 - viii. If the issue in which the application relates has already been taken up on an appeal or objection against an assessment that should be mentioned
 - ix. The view of the applicant based on the provisions of the Act (if any)
 - x. Contact details of the applicant or an authorized person (the admissibility of the application will be notified over the phone to make the immediate payment of application fee to proceed the process of issuing a private ruling)
3. Any request for interpretation in relation to any matter or issue of a case pending before the Tax Appeals Commission, or any Court should not be referred to the Committee
 4. The Committee shall make an initial review on each and every application for the purpose of deciding its admissibility
 5. In case where the Committee decides not to admit an application in terms of section 108 of the Act, the decision of the Committee shall be served to the applicant by way of a written notice
 6. In relation to an admissible application, the relevant taxpayer is notified to pay Rs. 25,000 as application fee
(Kindly note that the payment of Rs. 25,000 should be made in cash or Bank draft drawn to "Commissioner General of Inland Revenue" within 3 days from the notification to the Shroff, Accounts Division (13th Floor), Inland Revenue Department, Colombo 2. To initiate the process of issuing a private ruling, a copy of the payment slip should be submitted to the Secretary, Interpretation Committee)
 7. The date of submission of such payment slip to the Secretary will be considered as the date of receipt of the application for the purpose of subsection (1) of section 107
 8. The Committee shall serve the private ruling so issued to the applicant by way of a written notice and proceed to publish the ruling in the website of the IRD by generalizing facts and information of the issues from time to time

9. The Committee may decide the effective date of the private ruling and in case it is so decided the date shall have to be stated in the notice served to the taxpayer and in the publication of the IRD website. Otherwise the date of the ruling will be considered as the effective date
10. The Committee may for reasonable cause withdraw a private ruling in whole or in part by a written notice served on the applicant and immediately publishing a notice in the IRD website to that effect informing the date from which the withdrawal is effective
11. In addition to the application fee, any incidental costs that may incur in connection with the issuing process of the ruling such as valuation fees or other documentation charges should be borne by the applicant

Please contact the Secretary, Interpretation Committee on 011 213 5431 for any further guidance or to clarifications in this regard.



Commissioner General of Inland Revenue

W. Keenan
Commissioner General of Inland Revenue