



INLAND REVENUE DEPARTMENT

Notice to the Withholding Tax Agents

Instruction on Withholding Tax (WHT)

As instructed by the Ministry of Finance on January 31, 2020 pending formal amendment to the Inland Revenue Act No. 24 of 2017, WHT on any payments (including interest, dividends rent etc.) made to any resident person and PAYE on any employment receipts to any resident or non-resident individual is removed with effect from January 01, 2020.

Accordingly, withholding agents including employers are instructed not to deduct any WHT / PAYE on payments to be made (other than on payments of winnings from a lottery, reward, betting or gambling and sale of gems) on or after January 01, 2020, for the above persons.

Any WHT/PAYE already deducted after January 01, 2020 on above payments should be paid back to the respective persons (employees, deposit holders or any other persons).

However, WHT on following payments would continue to apply:

- ❖ Payments made to resident person;
 - At 14% WHT on the amounts paid as winning from lottery, reward, betting or gambling.
 - At 2.5% WHT on sale of any gem at an auction conducted by the National Gem & Jewellery Authority.
- ❖ Payments made to nonresident person under section 84 & 85 (other than on employment receipts)

For further clarification, please contact IRD Call Centre by Dialing 1944.

Visit - www.ird.gov.lk

Commissioner General of Inland Revenue



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