



**PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA**

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**FINANCE (AMENDMENT)  
ACT, No. 18 OF 2009**

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[Certified on 31st March, 2009]

*Printed on the Order of Government*

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*Finance (Amendment) Act, No. 18 of 2009*

[Certified on 31st March, 2009]

L.D.–O. 54/2008.

AN ACT TO AMEND THE FINANCE ACT, NO. 5 OF 2005

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

- 1.** This Act may be cited as the Finance (Amendment) Act, No. 18 of 2009. Short title.
- 2.** The Finance Act No. 5 of 2005 (hereinafter referred to as “principal enactment”) is hereby amended in section 13 of Part III of that Act, (Construction Industry Guarantee Fund Levy) by the Substitution for the word “the total cost which shall be payable by each contractor or sub-contractor”, of the words “the total contract value which shall be payable to each contractor or sub-contractor”. Amendment of section 13 of Part III of the Act, No. 5 of 2005.
- 3.** The following new section is hereby inserted immediately after section 13 of the principal enactment and shall have effect as section 13A of that enactment :- Insertion of new section 13A in the principal enactment.

“Any person or partnership to deduct construction Industry Guarantee Fund Levy.	13A. (1) Where any person or partnership makes any payment on or after April 1, 2009 to any construction contractor or sub-contractor, amounting to the value of any construction contract or sub-contract enforced in Sri Lanka by such contractor or subcontractor, as the case may be, under any agreement entered into on or after January 1, 2005, then such person or partnership shall be required to deduct from such payment, the Construction Industry Guarantee Find Levy at the appropriate rate specified in the Second Schedule to this Act, and to issue to such contractor or sub-contractor, a statement setting out details of such deduction in the format as specified by the Commissioner- General.
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(2) The provisions of sections 140, 142, 143, 144 and 145 of the Inland Revenue Act, No. 10 of 2006 relating to duties of banks and financial institutions following deductions of income tax, default in the deduction of income tax, issue of assessments on banks and financial institutions, appeals and penalty for default shall, *mutatis mutandis*, be applicable to the duties of such persons and partnerships, in relation to the Construction Industry Guarantee Fund Levy following deductions of construction industry guarantee fund levy, default in the deduction of construction industry guarantee fund levy, issue of assessments on such persons or partnerships, appeals and penalty for default.

(3) The amount deducted as Construction Industry Guarantee Fund Levy under aforesaid subsections shall be remitted by the person or partnership deducting the same, to the Commissioner-General on or before the fifteenth day of the month immediately succeeding the month in which such deduction was made, together with a statement setting out the details of such deductions in the format as specified by the Commissioner-General.

(4) On the production of the certificate relating to such deduction made and remitted to the Commissioner-General, any construction contractor or sub-contractor shall be entitled to deduct from the amount of the Construction Industry Guarantee Fund Levy payable by such contractor or sub-contractor under section 13, the amount of any deduction made as Construction Industry Guarantee Fund Levy by the person or partnership making the payment at the time of such payment.”.

4. Section 14 of the principal enactment is hereby amended, by the substitution for the words and figures “The Construction Industry Guarantee Fund Levy payable under section 13 shall be remitted by the construction contractor”, of the words and figures” any balance of Construction Industry Guarantee Fund Levy payable by any contractor or sub-contractor under Section 13, after deducting such levy deducted by the payer under section 13A, shall be remitted by such construction contractor or sub-contractor as the case may be”.

Amendment of section 14 of the principal enactment.

5. Section 20 of the principal enactment is hereby amended, by the repeal of the definition of the expression, “contract value” and the substitution therefore, of the following definition :—

Amendment of section 20 of the principal enactment.

““contract value” means the amount or the amounts stated in the letters of acceptance and which are thereafter adjusted in accordance with the provisions of the contract. The said contract value shall be the sum total of individual contracts or of several contracts which have been entered into in respect of the carrying out of any construction work and shall include sub-contract values and such other construction costs that may be incurred in carrying out such works, but shall not include any Value Added Tax payable under the Value Added Tax Act, No. 14 of 2002 ; and”.

6. First Schedule of the principal enactment is hereby amended, by the substitution for items 4, 5 and 6 thereof, of the following new item :-

Amendment of First Schedule of the principal enactment.

“4. (a) the Inland Revenue Act, No. 38 of 2000 (other than the provisions Chapters XV, XVI and XVII, and sections 33 and 61), in so far as such Act applies to the period commencing on April 1, 2005 and ending on March 2006 ;

- (b) the Inland Revenue Act, No. 10 of 2006 (other than the provisions Chapter XVI, XVII, XVIII and XXI, and sections 36 and 65), in so far as such Act applies to the period commencing on April 1, 2006 and ending on March 2008 ; and
- (c) The Inland Revenue Act, No. 10 of 2006 (other than the provisions Chapter XVI, XVII, XVIII and XXI, and sections 36 and 65), in so far as such Act applies to any company and to any period commencing on or after April 1, 2008.”

Amendment of  
Second  
Schedule of the  
principal  
enactment.

**7.** Second Schedule of the principle enactment is hereby amended as follows :—

- (1) in item 2 thereof by the substitution for the words “not exceeding rupees fifty million” of the words “less than rupees fifty million”; and
- (2) in item 3 thereof by the substitution for the words “not exceeding rupees one hundred and fifty million” of the words “less than rupees one hundred and fifty million”.

Sinhala text to  
prevail in case  
of inconsistency.

**8.** In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

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