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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2443/41 - 2025 ජූලි මස 02 වැනි බදාදා - 2025.07.02
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PART I : SECTION (I) — GENERAL

Government Notifications

INLAND REVENUE ACT, No. 24 OF 2017

NOTICE

IT is hereby notified under Section 75(1) of the Inland Revenue Act, No. 24 of 2017, that the protocol entered into on December 16, 2024, amending the bilateral agreement for affording relief from double taxation and prevention of tax evasion and avoidance, entered into on January 22, 2013 between the Government of the Democratic Socialist Republic of Sri Lanka and the Government of the Republic of India as set out in the Schedule hereto, has been approved by Parliament by resolution passed on March 07, 2025.

Dr. HARSHANA SURIYAPPERUMA,

Secretary,

Ministry of Finance, Planning and Economic Development.

Ministry of Finance, Planning and Economic Development,
Colombo 01,
July 02, 2025.



PROTOCOL

**AMENDING THE AGREEMENT BETWEEN
THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA AND
THE GOVERNMENT OF THE REPUBLIC OF INDIA
FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME**

The Government of the Democratic Socialist Republic of Sri Lanka and the Government of the Republic of India,

Desiring to conclude a Protocol to amend the Agreement between the Government of the Democratic Socialist Republic of Sri Lanka and the Government of the Republic of India for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed in India on the 22nd day of January, 2013 (hereinafter referred to as “the Agreement”)

Have agreed as follows :

ARTICLE 1

The Preamble of the Agreement shall be replaced by the following :

“The Government of the Democratic Socialist Republic of Sri Lanka and the Government of the Republic of India desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and with a view to promoting economic cooperation between the two countries;

Intending to eliminate double taxation with respect to the taxes covered by this Agreement without creating opportunities for non - taxation or reduced taxation through tax evasion or avoidance (including through treaty - shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of resident of third States);

Have agreed as follows : ”

ARTICLE 2

The existing paragraph 6 of Article 28 of the Agreement shall be deleted and replaced by the following :

“6. Notwithstanding the other provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Agreement.”

ARTICLE 3

1. The Contracting States shall notify each other in writing, through diplomatic channels, the completion of the procedures required by the respective laws for the entry into force of this Protocol.
2. This Protocol shall enter into force on the thirtieth day after the date of the later of the notifications referred to in paragraph 1 of this Article.

3. The provisions of the Protocol shall thereupon have effect :

(a) in India:

In respect of income derived in any fiscal year beginning on or after the first day of April next following the calendar year in which the Protocol enters into force; and

(b) in Sri Lanka:

In respect of income derived in any taxable year beginning on or after the first day of April next following the calendar year in which the Protocol enters into force.

4. This Protocol shall remain in effect as long as the Agreement remains in force.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Protocol.

Done in duplicate at New Delhi on this 16th day of December 2024, each in the Sinhala, Hindi and English languages, all the texts authentic. In case of divergent interpretation of the texts, the English text shall prevail.

For the Government of the Democratic
Socialist Republic of Sri Lanka

For the Government of the
Republic of India

.....
KSHENUKA DHIRENI SENEWIRATNE,
High Commissioner of Sri Lanka to India.

.....
RAVI AGRAWAL,
Chairman, Central Board of Direct Taxes,
Department of Revenue
Ministry of Finance.

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