



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

**FINANCE (AMENDMENT)
ACT, No. 8 OF 2004**

[Certified on 05th October, 2004]

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L.D.—O. 13/2004.

AN ACT TO AMEND THE FINANCE ACT, NO. 11 OF 2002 ; TO PROVIDE FOR THE OPERATION OF PART VI OF THE FINANCE ACT, NO. 11 OF 1963 NOTWITHSTANDING THE REPEAL OF THE SAID PART BY ACT, NO. 11 OF 2002 ; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

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. 8 of 2004. Short title.

PART I

GENERAL

2. The Finance Act, No. 11 of 2002 is hereby amended by the repeal of Part IV (sections 19 and 20) of such Act. Amendment of Act,
No. 11 of 2002.

PART II

RE-ENACTMENT OF PART VI OF THE FINANCE ACT, NO. 11 OF 1963

3. (1) The provisions of Part VI of the Finance Act, No. 11 of 1963 (section 58 to section 66) as amended from time to time, shall notwithstanding its repeal by the provisions of Part IV of the Finance Act, No. 11 of 2002, be in operation with effect from the date of the coming into operation of the provisions of this Act, as if such provisions have been enacted herein. The provisions of Part VI of the Finance Act, No. 11 of 1963 to be operative.

(2) Upon the provisions of Part VI of the Finance Act, No. 11 of 1963 (section 58 to section 66) as amended from time to time, coming into operation in terms of the provisions of subsection (1) of this section, all orders, notifications, rules or regulations made in relation to Part VI under the aforesaid Act, as amended from time to time, shall, with the re-operation

of the provisions of Part VI with effect from the date of the coming into operation of the provisions of this Act, be in operation as if such orders, notifications, rules or regulations have been enacted hereunder.

Amendment of
Act, No. 11 of
1963.

4. The Finance Act, No. 11 of 1963 is hereby amended in Part VI thereof, as follows :—

(1) in section 58 of that Act—

(a) by the insertion immediately after subsection (1) thereof, of the following new subsection :—

“(1A) No transfer of ownership of any property in Sri Lanka, shall be effected to a person who is not a citizen of Sri Lanka, below such value as shall be specified by the Minister of Finance by regulations made in that behalf, with the concurrence of the Minister of Lands and the Chief Valuer, taking into consideration the prevailing value of land in any Administrative District, Divisional Secretary’s Division or Grama Niladhari Division as the case may be.”;

(b) by the addition immediately after subsection (3) thereof, of the following new subsection :—

“(3A) Where there is a transfer of ownership of any property within Sri Lanka to a company there shall be charged from the transferee of such property, a tax of such amount as is equivalent to the value of that property, if more than twenty five *per centum* of the issued shares in such company are owned by persons who are not citizens of Sri Lanka.”; and

- (c) by the repeal of paragraph (g) of subsection (4) thereof and the substitution therefor of the following paragraph :—

“(g) the transfer of property of any such class or description or the transfer of property to any person, body of persons or category of persons as is specified by Order made by the Minister. Every such Order shall be published in the Gazette.”; and

- (2) by the insertion immediately after section 66 thereof, of the following new section which shall have effect as section 66A thereof :—

“Regulations.

66A. (1) The Minister may make regulations for the purposes of carrying out or giving effect to the principles and provisions of this Act, and in respect of matters that are by this Act required to be prescribed.

(2) Every such regulation shall be published in the Gazette and shall come into operation on the date of such publication or on such later date as may be specified in the regulation.

(3) Every such regulation shall, as soon as convenient after its publication in the Gazette, be brought before Parliament for approval. Any such regulation that is not so approved shall be deemed to be rescinded as from the date of disapproval, but without prejudice to anything previously done thereunder.

(4) Notification of the date on which a regulation is deemed to be rescinded shall be published in the Gazette.”.

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

Sinhala text to prevail in case of inconsistency.

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