



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

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**NATION BUILDING TAX (AMENDMENT)**

**A**

**BILL**

**to amend the Nation Building Tax Act, No. 9 of 2009**

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*Presented by the Minister of Finance and Mass Media on  
20th June, 2017*

(Published in the Gazette on May 12, 2017)

*Ordered by Parliament to be printed*

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**[Bill No. 182]**

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*STATEMENT OF LEGAL EFFECT*

*Clause 2* : This clause amends both Part I and Part II of the First Schedule to the Nation Building Tax Act, No. 9 of 2009 (hereinafter referred to as the “principal enactment”) and the legal effect of the section as amended is -

- (a) to revise existing criteria of exemptions relating to certain articles and services specified in the First Schedule to the principal enactment; and
- (b) to extend exemption provided under the said First Schedule to certain print material and to international telecommunication services provided by External Gateway Operators,

in keeping with the budget proposals 2017.

*Nation Building Tax (Amendment)*

L.D.—O. 71/2016

AN ACT TO AMEND THE NATION BUILDING TAX  
ACT, NO. 9 OF 2009

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

1. This Act may be cited as the Nation Building Tax (Amendment) Act, No.      of 2017, and shall be deemed to have come into operation from April 1, 2017 unless different dates of operation are specified hereunder.

Short title  
and date of  
operation.

2. The First Schedule to the Nation Building Tax Act, No. 9 of 2009 (hereinafter referred to as the “principal enactment”), as last amended by Act, No. 22 of 2016 is hereby further amended as follows:-

Amendment  
of the First  
Schedule to  
the Act,  
No. 9 of  
2009.

(1) in Part I of that Schedule-

(a) in item (iv) thereof, by the deletion of sub-item (iv) and substitution therefor of the following:-

“(iv) any other similar purpose,

and is to be re-shipped, within a period of one year from the date of importation of such article to Sri Lanka or within a period of ninety days after the completion of such project;”;

(b) by the substitution for item (xi) thereof, of the following item:-

“(xi) (a) petroleum and petroleum products for any period prior to May 2, 2016, and for the period

commencing from July 11,  
2016, and ending on or before  
November 1, 2016; or

5                      (b) petroleum and petroleum  
products other than lubricants  
classified under Harmonized  
Commodity Description and  
coding numbers for customs  
10                      purposes, for the period  
commencing from May 2, 2016  
and ending on July 11, 2016  
and for the period commencing  
on November 1, 2016;”;

15                      (c) in item (xviA) thereof by the substitution  
for the words “Air Lanka Catering Services  
Ltd;” of the following words and figures:-

“Air Lanka Catering Services Ltd, for any  
period prior to April 1, 2017;”;

20                      (d) in item (xviii) thereof, by the substitution  
for the words “any article imported or sold”,  
of the words and figures:-

“any article imported or sold prior to April  
1, 2017”;

25                      (e) by the insertion, immediately after item (L),  
the following new item:-

30                      “(LI) printed books, magazines, journals  
or periodicals other than newspapers,  
identified under Harmonized  
Commodity Description and  
Coding Numbers;”;

(2) in Part II of that Schedule-

(a) by the substitution for item (ii) thereof, of the following item:-

5                   “(ii) (a) for any period ended prior to May 2, 2016, and for the period commencing from July 11, 2016, but prior to April 1, 2017 supply of electricity; or

10                               (b) on or after April 1, 2017 generation of electricity and supply of electricity other than the supply of electricity by Ceylon Electricity Board established under the Ceylon Electricity Board Act, No. 17 of 1969;” and

(b) by the substitution for item (vii) thereof, of the following item:-

“(vii) service-

20                               (a) prior to January 1, 2011, of a construction contractor, not being a sub-contractor; or

25                               (b) on or after January 1, 2011, but prior to April 1, 2017, of a construction contractor or sub-contractor; or

(c) on or after April 1, 2017, of a construction sub-contractor,

30                               in so far as such services are in respect of constructing any

5                      building, road, bridge, water  
supply, drainage or sewerage  
system, harbour, airport or any  
infrastructure project in  
telecommunication or electricity;”

- (c) by substitution for item (xiv) thereof, of the following item:-

“(xiv) the services of a travel agent in respect of inbound tours operated-

10                      (a) prior to April 1, 2017;

(b) on or after April 1, 2017, where the payment for such services is received in foreign currency through a bank,

15                      if such agent is registered with the Ceylon Tourist Board;”;

- (d) by the substitution for item (xxii) thereof, of the following item:-

20                      “(xxii) any service rendered in or outside Sri Lanka to any person or partnership outside Sri Lanka for the utilization out of Sri Lanka for payment in foreign currency, if such foreign  
25                      currency is remitted to Sri Lanka through a bank;”;

- (e) in item (xxxiv) thereof, by the substitution for the words “services provided by any society” of the words and figures “services provided prior to April 1, 2017 by any  
30                      society”;

- (f) by the substitution for item (xxxviii) of the following item:-

5 “(xxxviii) for any period ended prior to  
April 1, 2017, the business of  
real estate and improvements  
thereon, being construction  
and sale of residential  
10 accommodation, in so far as  
the value of the construction  
project relating to the supply  
of such residential  
accommodation is less than  
15 ten million United States  
dollars or its equivalent in any  
other currency;”;

- (g) by the addition, immediately after the item (xxxviii), the following new item:-

20 “(xxxix) International telecommunication  
services provided to local  
operators by External Gateway  
Operators.”.

3. Where the Commissioner-General of Inland Revenue or the Director-General of Customs as the case may be, collects under the provisions of section 4 or section 5  
25 respectively of the principal enactment, the tax calculated considering the provisions of this Act, during the period commencing from April 1, 2017 and ending on the date on which the certificate of the Speaker is endorsed in respect of this Act, from a person to whom the provisions of this Act  
30 applies, such collection shall be deemed for all purposes to have been, and to be, validly made: Validation.

35 Provided that the aforesaid provisions of this section shall not affect any decision or order made by any Court or any proceeding pending in any Court in respect of any tax collected during the aforesaid period.

4. 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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