

11. KEY LEGISLATION, GOVERNMENT LINKS & RESOURCES

11.1 Primary Legislation

Law / Regulation	Year	Key Relevance	Where to Access
Inland Revenue Act (IRA)	No. 24 of 2017 (amended by Act No. 2 of 2025)	Core income tax, CGT, WHT law for all investors	www.ird.gov.lk www.parliament.lk
Foreign Exchange Act	No. 12 of 2017	Governs capital flows, IIA/NRFC accounts, repatriation	www.dfe.lk www.cbsl.gov.lk
FE (Capital Transactions) Regulations	No. 2 of 2021 (as amended)	Specific rules on types of capital transactions permitted	www.dfe.lk
Companies Act	No. 7 of 2007 (amended by Act No. 12 of 2025)	Company incorporation, beneficial ownership reporting	www.drc.gov.lk www.parliament.lk
Land (Restrictions on Alienation) Act	No. 38 of 2014 (amended 2017, 2018)	Foreign land ownership rules	www.parliament.lk National Archives
BOI Law	Board of Investment of Sri Lanka Law	FDI facilitation, Section 16/17 approvals	www.investsrilanka.com
Economic Transformation Act	No. 45 of 2024	New FDI framework; establishes Economic Commission; will replace BOI	www.parliament.lk lankalaw.net
CPCEC Act	No. 11 of 2021	Colombo Port City special economic zone regime	www.portcitycolombo.lk
Prevention of Money Laundering Act	No. 5 of 2006 (as amended)	AML compliance for investors	www.fiu.lk www.parliament.lk
Condominium Management Authority	Apartment Ownership Law	Condominium ownership by foreigners	www.cma.gov.lk

11.2 Official Government Websites

Authority	Role	Website
Inland Revenue Department (IRD)	Tax administration, filing, TIN registration	www.ird.gov.lk
Central Bank of Sri Lanka (CBSL)	Monetary policy, financial regulation, DFE oversight	www.cbsl.gov.lk
Department of Foreign Exchange (DFE) – CBSL	IIA/NRFC rules, capital transaction permissions, repatriation	www.dfe.lk
Board of Investment of Sri Lanka (BOI)	FDI facilitation, Section 16/17 approvals, investment incentives	www.investsrilanka.com
Securities & Exchange Commission (SEC)	Capital market regulation, unit trusts, stock brokers	www.sec.gov.lk
Colombo Stock Exchange (CSE)	Equity and debt securities trading	www.cse.lk
Registrar General of Companies	Company registration and compliance	www.drc.gov.lk
Ministry of Finance	Government budget, Treasury Bills/Bonds, fiscal policy	www.treasury.gov.lk
Department of Immigration & Emigration	Dual citizenship, investor visa, Golden Paradise visa	www.immigration.gov.lk
Urban Development Authority (UDA)	Property planning and approvals	www.uda.gov.lk
Condominium Management Authority (CMA)	Condominium registration and governance	www.cma.gov.lk
Financial Intelligence Unit (FIU)	AML/CFT compliance oversight	www.fiu.lk

11.3 Useful Professional & Third-Party Resources

Resource	URL	Type
Moore Global Sri Lanka Tax Guide	www.moore-global.com/services/tax/international-corporate-tax/sri-lanka/	International Accounting Firm
KPMG Sri Lanka Tax Alerts	assets.kpmg.com/content/dam/kpmg/lk/...	Big-4 Tax Advisory
D.L. & F. De Saram (Law Firm)	www.desaram.com	Leading SL Law Firm
Capital Alliance (CAL) Investment	cal.lk/tax-comparison-of-different-investments-in-sri-lanka/	Investment Bank / Tax Comparison
TaxPro.lk	taxpro.lk	SL Tax Calculator & Filing
SimpleBooks.com/srilanka	simplebooks.com/srilanka	WHT & Tax Reform Guidance
PwC Tax Summaries – Sri Lanka	taxsummaries.pwc.com	International Tax Reference
US State Dept. Investment Climate	www.state.gov/wp-content/.../2025-Sri-Lanka-Investment-Climate-Statement.pdf	US Government Investment Report
BOI Investment Guide Sept 2025	investsrilanka.com/wp-content/uploads/2025/09/BOI-Investment-Guide-22.09.2025.pdf	Official BOI Guide
Teliaudit.lk – Non-Resident Tax	teliaudit.lk/sri-lanka-foreign-currency-non-resident-income-tax-rules.php	Local Tax Practitioner

12. PRACTICAL TIPS & INVESTOR CHECKLIST

12.1 For Non-Resident Sri Lankan Citizens (Diaspora)

- Track your days in Sri Lanka: If < 183 days per year, your foreign income is fully exempt from SL tax.
- Open an NRFC account at a licensed Sri Lankan bank to hold foreign currency savings – freely repatriable.
- Open an IIA (Inward Investment Account) BEFORE making any investment in SL property, shares, or bonds to ensure repatriation rights.
- CSE equities offer 0% capital gains tax – the most tax-efficient investment vehicle.
- Claim WHT refund if your total SL income is below LKR 1.8 Mn/year – submit a declaration to your bank.
- If you receive rental income in Sri Lanka, 10% WHT is deducted at source – this is your final tax as a non-resident.
- Obtain a Tax Identification Number (TIN) from the IRD even as a non-resident if you have SL-source income.
- File income tax returns by 30 November if you have taxable SL income (online via www.ird.gov.lk).
- Check the DTAA between Sri Lanka and your country of residence to avoid double taxation on dividends/interest.
- For property investment: as a citizen, you may own freehold land – ensure title is clear and use a licensed notary.

12.2 For Dual Citizens

- Your tax residency in Sri Lanka is determined by physical presence (183-day rule), NOT by your Sri Lankan citizenship or passport.
- If you are tax-resident in Sri Lanka (≥ 183 days), you are taxed on WORLDWIDE income – check your DTAA obligations.
- If you are non-resident in Sri Lanka, you retain the same treatment as any non-resident SL citizen.
- You retain all rights of a Sri Lankan citizen: freehold land ownership, no foreign ownership restrictions on shares.
- Check whether your country of second citizenship also taxes Sri Lankan income – and claim DTAA relief to avoid double taxation.
- The UAE Comprehensive DTAA is attractive if you are also a UAE resident: 0% WHT on dividends and interest.
- Dual citizens can invest freely across all sectors without the 49% foreign ownership cap that applies to foreigners.
- Ensure your SL passport is valid and dual citizenship registered at the Department of Immigration (www.immigration.gov.lk).

12.3 For Foreigners / Foreign Investors

- ALWAYS route investment funds through an IIA (Inward Investment Account) at a licensed Sri Lankan bank – this is non-negotiable for repatriation rights.
- You CANNOT own freehold land in Sri Lanka. Legal alternatives: 99-year lease, condominium (4th floor+), or a Sri Lankan company with $\geq 51\%$ local ownership.
- CSE equities: 0% CGT, 15% dividend WHT – the simplest and most tax-efficient investment entry.
- Treasury bills and bonds are accessible to foreign investors via an IIA; contact a primary dealer or licensed bank.
- For large investments, consider applying for BOI Section 17 approval – provides customs duty exemptions, exchange control concessions, and expropriation protection.
- Colombo Port City offers a distinct regulatory zone with significant tax concessions (potentially 0% CIT) – consult CPCEC (www.portcitycolombo.lk).
- Check your home country's DTAA with Sri Lanka – may reduce dividend/interest WHT significantly (UAE gets 0%).
- Obtain KYC (Know Your Customer) clearance from your Sri Lankan bank – required under Financial Transactions Reporting Act No. 6 of 2006.
- New Companies (Amendment) Act 2025 requires disclosure of beneficial owners with 10%+ stake – ensure compliance.
- Do NOT use nominee shareholders to bypass land ownership restrictions – it is illegal and risks total loss of investment.