



**INLAND REVENUE DEPARTMENT**  
**Notice to the Commercial Banks & Authorized Dealers and**  
**the Special Deposit Account (SDA) Holders**

**Income Tax Exemption on Interest Accrued or**  
**Derived from Special Deposit Account**

As instructed by the Ministry of Finance on September 11, 2020, following income tax exemption has been proposed and granted subject to the formal amendment being made to the Inland Revenue Act No. 24 of 2017.

- *Interest accruing or derived by any person who has opened term deposit accounts titled as **Special Deposit Account** during the period from April 8, 2020 to October 7, 2020 in accordance with the regulations issued by the Minister of Finance (Gazette Number 2170/4 and 2182/32) under Section 29 read with Section 7 of the Foreign Exchange Act, No. 12 of 2017, either in any designated foreign currency or in Sri Lanka Rupees.*

Accordingly, all Commercial Banks and Authorized Dealers are hereby informed that the deduction of Withholding Tax (WHT) or Advance Income Tax (AIT) is not required on the above exempted interest.

For any clarifications, please contact Tax Policy and Legislation Unit

Senior Deputy Commissioner	–	+9411 2135438
Commissioner	-	+9411 2135412

**Commissioner General of Inland Revenue**



**TAXES - FOR A BETTER FUTURE**