

## Sri Lanka

Sri Lanka has met all aspects of the terms of reference (OECD, 2021<sup>[1]</sup>) (ToR) for the calendar year 2022 (year in review), and no recommendations are made.

Sri Lanka can legally issue three types of rulings within the scope of the transparency framework.

In practice, Sri Lanka issued no rulings within the scope of the transparency framework.

As no exchanges were required to take place, no peer input was received in respect of the exchanges of information on rulings received from Sri Lanka.

## Information gathering process (ToR I.A)

1143. Sri Lanka can legally issue the following three types of rulings within the scope of the transparency framework: (i) rulings providing for unilateral downward adjustments; (ii) permanent establishment rulings; and (iii) related party conduit rulings.<sup>1</sup>

1144. For Sri Lanka, past rulings are any tax rulings within scope that are issued either (i) on or after 1 January 2015 but before 1 April 2017; and (ii) on or after 1 January 2012 but before 1 January 2015, provided they were still in effect as at 1 January 2015.

1145. Future rulings are any tax rulings within scope that are issued on or after 1 April 2017.

1146. In the prior year's peer review report, it was determined that Sri Lanka's undertakings to identify past and future rulings and all potential exchange jurisdictions were sufficient to meet the minimum standard. In addition, it was determined that Sri Lanka's review and supervision mechanism was sufficient to meet the minimum standard. Sri Lanka's implementation remains unchanged, and therefore continues to meet the minimum standard.

1147. Sri Lanka has met all of the ToR for the information gathering process and no recommendations are made.

## Exchange of information (ToR II.B)

1148. Sri Lanka has the necessary domestic legal basis to exchange information spontaneously. Sri Lanka notes that there are no legal or practical impediments that prevent the spontaneous exchange of information on rulings as contemplated in the Action 5 minimum standard.

1149. Sri Lanka has international agreements permitting spontaneous exchange of information, including: (i) the *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011<sup>[2]</sup>) ("the Convention") and (ii) bilateral agreements in force with 42 jurisdictions.<sup>2</sup>

1150. During the year in review, no exchanges were required to take place and no data on the timeliness of exchanges is reported.

1151. In the prior year's peer review report, it was determined that Sri Lanka's process for the completion and exchange of templates were sufficient to meet the minimum standard. Sri Lanka's implementation in this regard remains unchanged and therefore continues to meet the minimum standard.

1152. Sri Lanka has the necessary legal basis for spontaneous exchange of information, a process for completing the templates in a timely way and has completed all exchanges. Sri Lanka has met all of the ToR for the exchange of information process and no recommendations are made.

## Statistics (ToR IV.D)

1153. As no rulings were issued, no statistics can be reported.

## Matters related to intellectual property regimes (ToR I.A.1.3)

1154. Sri Lanka does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015<sup>[3]</sup>) were imposed.

## Summary of recommendations on implementation of the transparency framework

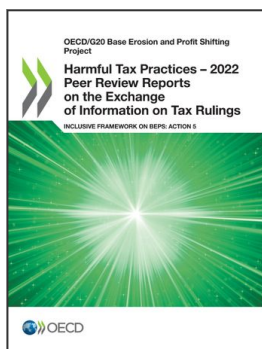
Aspect of implementation of the transparency framework that should be improved	Recommendation for improvement
	No recommendations are made.

## References

- OECD (2021), *BEPS Action 5 on Harmful Tax Practices - Terms of Reference and Methodology for the Conduct of the Peer Reviews of the Action 5 Transparency Framework*, OECD Publishing, Paris, <https://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [1]
- OECD (2015), *Countering Harmful Tax Practices More Effectively, Taking into Account Transparency and Substance, Action 5 - 2015 Final Report*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://doi.org/10.1787/9789264241190-en>. [3]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264115606-en>. [2]

## Notes

- <sup>1</sup> Sri Lanka is planning to put in place a legal framework for issuing APAs in the near future.
- <sup>2</sup> Participating jurisdictions to the Convention are available here: [www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm](http://www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm). Sri Lanka also has bilateral agreements with Australia, Bangladesh, Bahrain, Belarus, Belgium, Canada, China (People's Republic of), Czechia, Denmark, Finland, France, Germany, India, Indonesia, Iran, Italy, Japan, Korea, Kuwait, Luxembourg, Malaysia, Mauritius, Nepal, Netherlands, Norway, Oman, Pakistan, Palestinian Authority, Philippines, Poland, Qatar, Romania, Russia, Seychelles, Singapore, Sweden, Switzerland, Thailand, United Arab Emirates, United Kingdom, United States, and Viet Nam.



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