

PARLIAMENT OF CEYLON  
4th Session 1950



Double Taxation (Relief) Act,  
No. 26 of 1950

*Date of Assent : October 20, 1950*

*Printed on the Orders of Government  
and published as a Supplement to Ceylon Government  
Gazette Part II of October 27, 1950*

Printed at the CEYLON GOVT. PRESS, COLOMBO. To be  
purchased at the GOVT. PUBLICATIONS BUREAU, COLOMBO  
Annual Subscription (including Bills) Rs. 25, payable in  
advance to the SUPERINTENDENT, GOVERNMENT PUBLICATIONS  
BUREAU, POST OFFICE BOX 500, Secretariat, Colombo 1

AN ACT TO ENABLE EFFECT TO BE GIVEN TO ARRANGEMENTS MADE WITH GOVERNMENTS OF FOREIGN TERRITORIES FOR THE AVOIDANCE OF DOUBLE TAXATION OR RELIEF THEREFROM, AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH.

[Date of Assent: October 20, 1950.]

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Double Taxation (Relief) Act, No. 26 of 1950.

Short title.

2. (1) Where the Senate and the House of Representatives by resolutions approve any Agreement, entered into between the Government of Ceylon and the Government of any other territory, for the purposes of affording relief from double taxation in relation to income tax and profits tax under Ceylon law and any taxes of a similar character imposed by the laws of that territory, the Agreement shall, notwithstanding anything in any other written law, have the force of law in Ceylon in so far as it provides for relief from income tax or profits tax, or for charging the profits or income arising from sources in Ceylon to persons not resident in Ceylon or determining the profits or income to be attributed to such persons and their agencies, branches or establishments in Ceylon, or for determining the profits or income to be attributed to persons resident in Ceylon who have special relationships with persons not so resident.

Bringing into effect Agreements for double taxation relief.

(2) Every Agreement which is approved by resolutions under sub-section (1) shall be published in the *Gazette* together with a notice that it has been so approved.

(3) The Minister may, by Order published in the *Gazette*, make such provision as may be necessary for the purpose of implementing any Agreement which by virtue of sub-section (1) of this section has the force of law in Ceylon, including provision—

(a) that the Agreement and the Order shall have effect in respect of periods prior to the date of the execution or publication in the *Gazette* of the Agreement; and

4 *Double Taxation (Relief) Act, No. 26 of 1950.*

(b) that any provision of any written law relating to income tax or profits tax shall have effect subject to such amendments or modifications as may be specified in the Order.

Every Order made under this sub-section shall have the force of law.

(4) In any case where any Agreement referred to in sub-section (1) provides that tax payable under the laws of any territory outside Ceylon shall be allowed as a credit against any tax payable in Ceylon, the credit to be granted in respect of any Ceylon tax upon profits or income arising from any source shall not exceed the amount of the Ceylon tax payable in respect of such profits or income.

(5) The Agreement between the Government of the United Kingdom and the Government of Ceylon dated July 26, 1950, the text of which was reproduced in Treaty Series No. 9 (1950) and tabled in the Senate and the House of Representatives on August 15, 1950, and July 31, 1950, respectively, shall be deemed for all purposes to have been approved by the Senate and the House of Representatives under sub-section (1) of this section, and shall have the force of law in Ceylon in terms of that sub-section; and the provisions of sub-sections (3) and (4) of this section shall apply accordingly to and in relation to that Agreement.