



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

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**COMPANIES (AMENDMENT)**

**A**

**BILL**

**to amend the Companies Act, No. 7 of 2007**

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*Presented by the Prime Minister and Minister of Buddha Sasana and  
Religious Affairs on 21st March, 2014*

(Published in the Gazette on March 10, 2014)

*Ordered by Parliament to be printed*

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**[Bill No. 298]**

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*STATEMENT OF LEGAL EFFECT*

*Clause 2* : This Clause replaces the section 132 of the Companies Act, No. 7 of 2007 and the legal effect of the section as replaced is to enlarge the procedure to be followed by any private company when submitting the annual return of the company, to the Registrar of Companies and to notify the Registrar of Companies when submitting the annual return or before effecting the winding up of any company or change of status or similar situation as specified in the Act such winding up or change if any.

*Clause 3* : This Clause amends item 2(b) and 2(d) of the Ninth Schedule in order to increase the selection period by the Commissioner-General of Inland Revenue for claims in respect of debts regarding Income Tax and Value Added Tax respectively to be made to the liquidator.

*Clause 4* : The legal effect of this section is to introduce a definition for the term Commissioner-General of Inland Revenue.

*Companies (Amendment)*

L.D.—O. 11/2014.

AN ACT TO AMEND THE COMPANIES  
ACT, NO. 7 OF 2007

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

**1.** This Act may be cited as the Companies (Amendment) Short title.  
Act, No. of 2014 as follows :—

5     **2.** Section 132 of the Companies Act, No. 7 of 2007 Amendment  
(hereinafter referred to as the “principal enactment”) is hereby of section  
amended by the repeal of that section and the substitution 132 of the  
therefore of the following new section :— Companies  
Act, No.7 of  
2007.

10     “Declaration     132. (1) Every private company shall  
and                   transmit to the Registrar with it’s annual  
certificates to     return—  
be sent by  
every private  
company  
with the  
annual  
return.

15                   (a) a declaration signed by the directors of  
the company to the effect that to the  
best of their knowledge and belief, they  
have complied with the requirements  
of the principal enactment ;

                      (b) a certificate signed by a director and  
the secretary of the company—

20                   (i) confirming that the company  
has not since the date of the last  
return or in the case of a first  
return, since the date of the  
incorporation of the company,  
as the case may be, issued any  
25     invitation to the public to  
subscribe for any shares or  
debentures of the company ;

5 (ii) where the annual return discloses the fact that the number of shareholders of the company exceeds fifty, and such excess consists wholly of persons not included under section 27 in relation to that limit imposed under that section ;

10 (c) a certificate issued by the Commissioner-General of Inland Revenue confirming that the company has fulfilled the requirements specified in section 106 of the Inland Revenue Act, No. 10 of 2006.

15 (2) (a) Subject to section 131 every private company shall with the annual return of such company, or any time prior to the winding up of such company or change of status or a similar situation specified in this Act, notify in writing to the Registrar in the manner prescribed any such winding up or change if any to be taken place.

20 (b) It shall be the duty of the Registrar to transmit a copy of such notice to the Commissioner-General of Inland Revenue.

For the purposes of this Section—

30 “Similar situation” means and arrangement, amalgamation merger or compromise as specified in the Act.”.

3. The item 2 of the Ninth Schedule to the principal enactment is hereby amended as follows :—

Amendment of Ninth Schedule to the principal enactment.

5 (1) in paragraph (b), by the substitution for the words “chargeable for one complete year prior to the commencement of the liquidation, that year to be selected” of the words “chargeable for five complete years prior to the commencement of the liquidation, that five year period to be selected”;

10 (2) in paragraph (d), by the repeal of that paragraph and substitution therefor of the following new paragraph :—

15 “(d) value added tax charged or chargeable for taxable periods within five year period prior to the commencement of the liquidation, such taxable periods to be selected by the Commissioner-General of Inland Revenue in accordance with the provisions of the Value Added Tax Act, No. 14 of 2002;”.

20 4. Section 529 of the principal enactment is hereby amended by the insertion immediately after the definition of the expression “class” of the following definition :—

Amendment of section 529 of the principal enactment.

25 “Commissioner-General of Inland Revenue” means the Commissioner-General of Inland Revenue appointed under section 208 of the Inland Revenue Act, No. 10 of 2006.

5. 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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