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நிதி அமைச்சு
MINISTRY OF FINANCE

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Date }

Public Enterprise Circular No. PED 03/2016

Department of Public Enterprises
General Treasury
Colombo 01

All Secretaries to Ministries, Heads of Departments,
Chairmen of Public Corporations, Statutory Boards and
State owned Companies


Deduction of PAYE TAX from the employees of State Owned Enterprises (SOEs).

Your attention is drawn to my letter No. FP/06/35/02/01 dated 04th November 2013 on deduction of paye tax from public officers including employees of State Owned Enterprises (SOEs). It is noticed that some State Owned Enterprises are still bearing paye tax expenditures of their employees without deducting paye tax from personal emoluments of employees. This issue has been discussed at the Committee on Public Enterprises (COPE) meetings several times and COPE has directed to issue new instructions to that effect.

2 Hence, you are advised to strictly adhere to the following instructions with regard to paye tax to be paid by the employees of State Owned Enterprises.

Paye tax should be deducted from tax liable employees' earnings as per the relevant regulations of the Inland Revenue Department (IRD). The Board of Directors and Senior Management of SOEs should ensure that paye tax is deducted and remitted to IRD.

3 Should you need any clarification on this matter, please do not hesitate to write to the Chairman of the Tax Interpretation Committee of the Department of Inland Revenue.


R.H.S. Samarathunge
Secretary to the Treasury

Copy to:

1. Secretary to the President
2. Secretary, Ministry of Public Administration
3. Auditor General
4. Secretary, Committee on Public Enterprises (COPE)
5. Commissioner General, Inland Revenue Department