

Sri Lanka

Sri Lanka did not provide a completed peer review questionnaire to the Secretariat. It is not known whether Sri Lanka has implemented the transparency framework in line with the terms of reference (OECD, 2017^[3]) (ToR) for the calendar year 2019 (year in review). Sri Lanka receives two recommendations covering the information gathering process (ToR I.4) and exchange of information (ToR II.5) for the year in review.

In the prior year report, as well as in the 2017 peer review, Sri Lanka received the same two recommendations. As they have not been addressed, the recommendations remain in place.

It is not known whether Sri Lanka can legally issue any types of ruling within the scope of the transparency framework, or whether in practice Sri Lanka issued any such rulings.

No peer input was received in respect of the exchanges of information on rulings received from Sri Lanka.

A. The information gathering process

1044. Sri Lanka was not yet able to complete the peer review questionnaire. It is not known whether Sri Lanka has implemented the transparency framework during the year in review..

Conclusion on section A

1045. Sri Lanka is recommended to ensure that it has put in place an effective information gathering process to identify all relevant past and future rulings and all potential exchange jurisdictions and to implement a review and supervision mechanism, as soon as possible (ToR I.4).

B. The exchange of information

Legal basis for spontaneous exchange of information (ToR II.5.1, II.5.2)

1046. It is not known whether Sri Lanka has the necessary domestic legal basis to exchange information spontaneously. Sri Lanka is recommended to put in place a domestic legal framework allowing spontaneous exchange of information on rulings if needed.

1047. Sri Lanka has international agreements permitting spontaneous exchange of information, including being a party to the (i) *Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol* (OECD/Council of Europe, 2011^[4]) (“the Convention”) and (ii) bilateral agreements in force with 44 jurisdictions.¹

Completion and exchange of templates (ToR II.5.3, II.5.4, II.5.5, II.5.6, II.5.7)

1048. It is not known whether Sri Lanka has put in place a process to exchange information on rulings in accordance with the form and timelines required by the transparency framework. Sri Lanka is recommended to ensure the timely exchange of information on rulings in the form required by the transparency framework.

Conclusion on section B

1049. Sri Lanka is recommended to put in place a domestic legal framework allowing spontaneous exchange of information on rulings and develop a process to complete the templates on relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timelines under the transparency framework (ToR II.5).

C. Statistics (ToR IV)

1050. As there was no information on rulings exchanged by Sri Lanka for the year in review, no statistics can be reported.

D. Matters related to intellectual property regimes (ToR I.4.1.3)

1051. Sri Lanka does not offer an intellectual property regime for which transparency requirements under the Action 5 Report (OECD, 2015^[1]) were imposed.

Summary of recommendations on implementation of the transparency framework

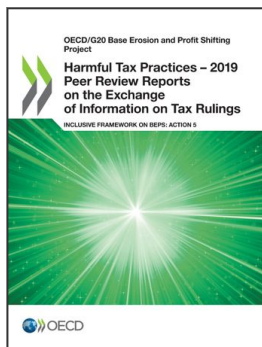
| Aspect of implementation of the transparency framework that should be improved | Recommendation for improvement |
|---|---|
| Sri Lanka has not put in place the necessary information gathering process. | Sri Lanka is recommended to finalise its information gathering process for identifying all future rulings and potential exchange jurisdictions, with a review and supervision mechanism, as soon as possible. This recommendation remains unchanged since the 2017 and 2018 peer review reports. |
| Sri Lanka does not have a process to complete the templates on relevant rulings, to make them available to the Competent Authority for exchange of information, and to exchange them with relevant jurisdictions. | Sri Lanka is recommended to put in place a domestic legal framework allowing spontaneous exchange of information on rulings and to develop a process to complete the templates on relevant rulings and to ensure that the exchanges of information on rulings occur in accordance with the form and timeliness under the transparency framework. This recommendation remains unchanged since the 2017 and 2018 peer review reports. |

References

- OECD (2017), *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, <http://www.oecd.org/tax/beps/beps-action-5-harmful-tax-practices-peer-review-transparency-framework.pdf>. [3]
- 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://dx.doi.org/10.1787/9789264241190-en>. [1]
- OECD/Council of Europe (2011), *The Multilateral Convention on Mutual Administrative Assistance in Tax Matters: Amended by the 2010 Protocol*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264115606-en>. [4]

Notes

¹ Parties to the Convention are available here: www.oecd.org/tax/exchange-of-tax-information/convention-on-mutual-administrative-assistance-in-tax-matters.htm. Sri Lanka also has bilateral agreements Sri Lanka also has bilateral agreements in force with Australia, Bangladesh, Bahrain, Belarus, Belgium, Canada, China (People's Republic of), Czech Republic, Denmark, Finland, France, Germany, Hong Kong (China), India, Indonesia, Iran, Italy, Japan, Korea, Kuwait, Luxembourg, Malaysia, Mauritius, Nepal, Netherlands, Norway, Oman, Pakistan, Palestinian Authority, Philippines, Poland, Qatar, Romania, Russia, Saudi Arabia, Seychelles, Singapore, Sweden, Switzerland, Thailand, United Arab Emirates, United Kingdom, United States, and Viet Nam.



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