



INLAND REVENUE DEPARTMENT

Notice to the Withholding Tax (WHT) Agents

Instruction on Withholding Tax (WHT)

As approved by the Cabinet of Ministers and instructed by the Ministry of Finance on December 31, 2019, pending formal amendment to the Inland Revenue Act No. 24 of 2017, WHT on service fee payable to any **Resident Individual** {whose payment made by any WHT Agent exceeding Rs. 50,000/- per month and deducted at 5% under section 85(1)(a) and item 10(1)(c)(i) to the FIRST SCHEDULE, of the Inland Revenue Act, No. 24 of 2017}, is removed with effect from **January 01, 2020**.

Accordingly, WHT Agents are instructed not to deduct any WHT on payments to be made on or after January 01, 2020, to any **Resident Individual** in respect of following services to be performed by such individual.

- Teaching, lecturing, examining, invigilating, supervising an examination,
- Commission or brokerage to a resident insurance, sales or canvassing agent,
- An endorsement fee,
- Supply of any article on a contract basis through tender or quotation,
- Service provided in the capacity of independent service providers such as doctors, engineers, accountants, lawyers, software developers, researchers, academics, or any other similar service,
- Service of construction work, security service, janitorial service, consultation work of any kind, organizing of events, catering, designers, dress makers, tour guidance, entertainment, agency functions or any similar services or connected work where such services are provided under an agreement or otherwise
- Any management service
- Vocational services provided as an independent service provider

Deduction of WHT in all other circumstances shall remain without any change.

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Commissioner General of Inland Revenue



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