MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 16th July, 2026

(Income-Tax)

S.O. 3926(E).— Whereas, a Protocol amending the Agreement between the Republic of India and the Government of the Democratic Socialist Republic of Sri Lanka for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, was signed at New Delhi on the 16^{th} day of December, 2024, as set out in the Annexure to this notification (hereinafter referred to as the said *Protocol*);

And whereas, paragraph 2 of Article 3 of the said Protocol provides that it shall enter into force on the thirtieth day after the date of the later of the notifications by the said contracting states of the completion of the procedures required by their respective laws;

And whereas, the date of entry into force of the said Protocol is the 19^{th} day of June, 2026, being the date of the later of the notifications of the completion of the procedures required for giving effect to the said Protocol in accordance with paragraph 2 of Article 3 of the said Protocol;

And whereas, paragraph 3 of Article 3 of the said Protocol, *inter alia*, provides that the provisions of the said protocol shall have effect in India in respect of income derived in any fiscal year beginning on or after the first day of April next following the calendar year on which the Agreement enters into force;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 159 of the Income-tax Act, 2025 (30 of 2025), the Central Government hereby notifies that all the provisions of said Protocol, as annexed hereto, shall be given effect to in the Union of India.

ANNEXURE

PROTOCOL

AMENDING THE AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF INDIA

AND

THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the Republic of India and the Government of the Democratic Socialist Republic of Sri Lanka,

Desiring to conclude a Protocol to amend the Agreement between the Government of the Republic of India and the Government of the Democratic Socialist Republic of Sri Lanka for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed in India on the 22nd day of January, 2013 (hereinafter referred to as "the Agreement").

Have agreed as follows:

ARTICLE 1

The Preamble of the Agreement shall be replaced by the following:

> **"**The Government of the Republic of India and the Government of the Democratic Socialist Republic of Sri Lanka, desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and with a view to promoting economic cooperation between the two countries;
>
> Intending to eliminate double taxation with respect to the taxes covered by this Agreement without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this Agreement for the indirect benefit of residents of third States);
>
> Have agreed as follows:"

ARTICLE 2

The existing paragraph 6 of Article 28 of the Agreement shall be deleted and replaced by the following:-

> "6. Notwithstanding the other provisions of this Agreement, a benefit under this Agreement shall not be granted in respect of an item of income if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of this Agreement."

ARTICLE 3

1. The Contracting States shall notify each other in writing, through diplomatic channels, the completion of the procedures required by the respective laws for the entry into force of this Protocol.

2. This Protocol shall enter into force on the thirtieth day after the date of the later of the notifications referred to in paragraph 1 of this Article.

3. The provisions of the Protocol shall thereupon have effect:

(a) in India:

In respect of income derived in any fiscal year beginning on or after the first day of April next following the calendar year in which the Agreement enters into force; and.

(b) in Sri Lanka:

In respect of income derived in any taxable year beginning on or after the first day of April next following the calendar year in which the Agreement enters into force.

4. This Protocol shall remain in effect as long as the Agreement remains in force.

In witness whereof the undersigned, duly authorised thereto by their respective Governments, have signed this Protocol.

DONE in duplicate at New Delhi on this 16th day of December 2024 each in the Hindi, Sinhala and English languages, all the texts being equally authentic. In case of divergent interpretation of the texts, the English text shall prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF INDIA	FOR THE GOVERNMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

[No. 88 /2026/F. No. 503/8/2005-FTD-II]

BHASKAR GOSWAMI, Jt. Secy.

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