

Share Transfer Levy (STL)

AAT Level III CPT - Corporate and Personal Taxation

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Taxation

Share Transfer Levy (STL)

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Share Transfer Levy (STL)

- Finance Act 5th of 2005.
- Who shall pay STL ?
- **Both buyer and seller who make share transaction at Colombo Stock Exchange.**
- STL rate **0.3%**.
- Who will collect it ? Stock broker will collect and remit to Colombo Stock Exchange.

Share Transfer Levy (STL)

- Ex 1. Sales value.Rs.1,000,000/=
- Seller – $1,000,000 \times 0.3\% = 3,000$.
- Buyer- $1,000,000 \times 0.3\% = 3,000$.

- Ex 2. Nos of shares 150,000. Sold during the year 80,000 shares at 60/= each . Calculate STL payable by Seller and The Buyer.
- Seller – $80,000 \times 60 = 4,800,000 \times 0.3\% = 14,400/-$.
- Buyer - 14,400/-.

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Share Transfer Levy.

- Tax payment.
- STL collected by Colombo Stock Exchange shall remit such tax collection **within 3days to IRD**.

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Share Transfer Levy.

- Return
- Colombo Stock Exchange shall submit return on monthly basis within 15 days after ending the month
- Ex. September 2021 return to be submitted on or before 15/10/2021.

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Share Transfer Levy.

- Penalty.
- **Any person who default .**
 - 10% penalty and 2% additional penalty for each delay in month.
 - If more than three months default additional surcharge can be imposed by CGIR.
 - CGIR can make three weeks notice if he is going to take legal action.
 - If not settle within three weeks he can file case in competent court and collect it as a fine.

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