CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

CITSL

TRANSFORMING TAX KNOWLEDGE FOR A NATIONAL VALUE

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

Annual Report 2025/26



Table of Contents

Overview

- Transforming Tax Knowledge into National Value 03
- About the Report 04
- About the Institute 05
- Our Vision, Our Mission, Values of the Institute 06
- Objectivs of the Institute 07
- Principles of the Institute 07
- Key Highlights 08
- Our Leadership 09

Leadership and Governance

- President's Message 10
- Secretary's Message 16
- Immediate Past CEO's Message 18
- CEO's Message 20
- Council Members for the Year 2025/26 23
- Past Presidents 24
- Executive Council Review 25

Committees and Governance Structure

- Chairman's Report of the Web-Based Development Committee 27
- Chairman's Report of the Public Seminar Committee 29
- Attendance of the Council Members 31

Membership and Professional Excellence

- Membership Development 33
- Public Seminars and Member Affairs 34
- Stakeholder Engagement 34

Education and Future Tax Professionals

- Student Development 38
- Examinations and Academic Activities 40
- Scholarships and Awards 41

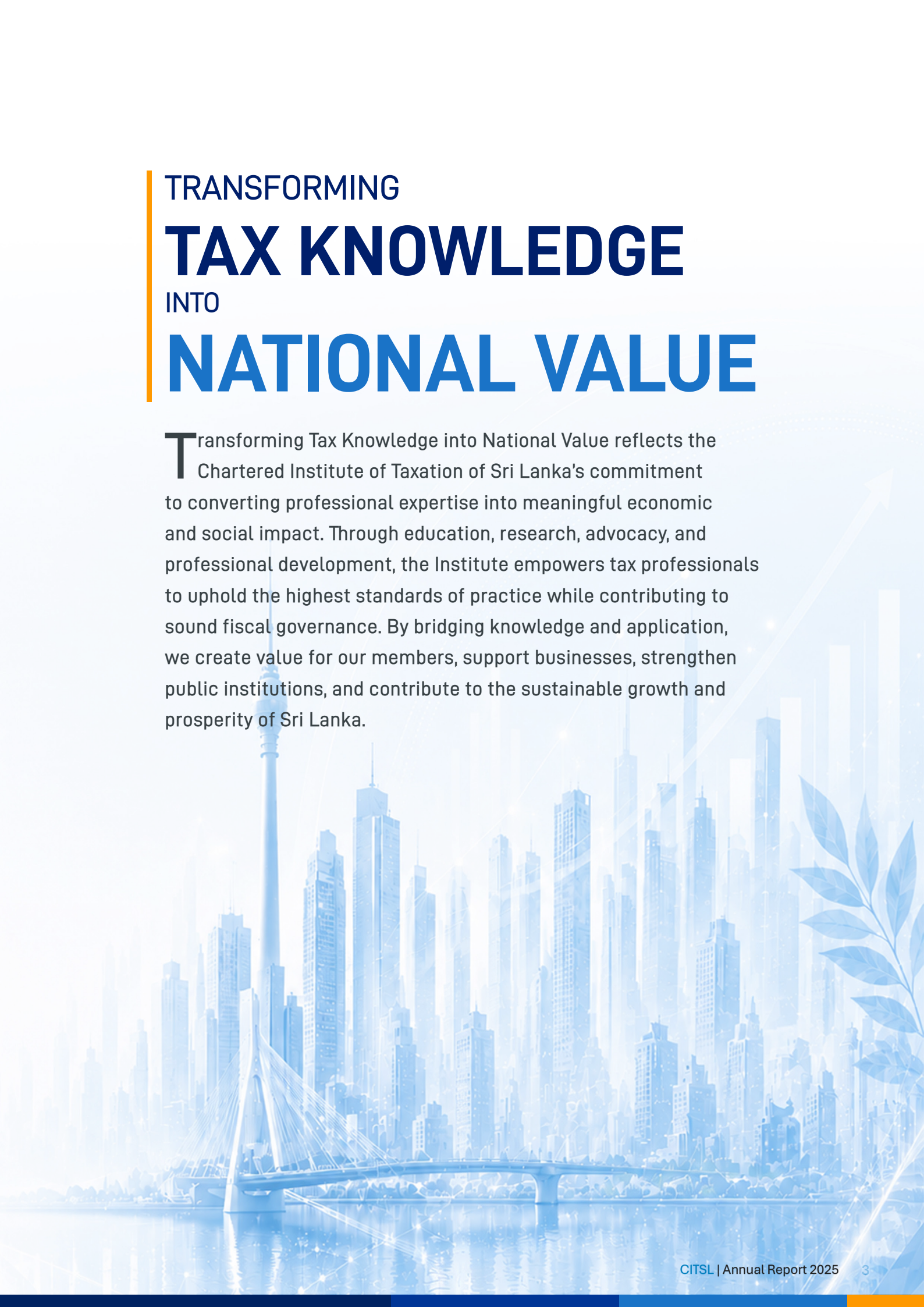
Financial Performance and Accountability

- Financial Perfoemance Review 2025/26 45
- Audited Financial Statements 48

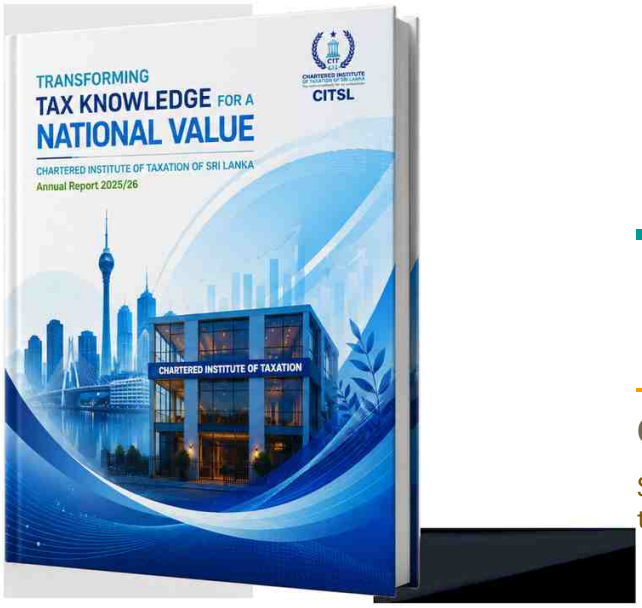
Appreciation 72

TRANSFORMING TAX KNOWLEDGE INTO NATIONAL VALUE

Transforming Tax Knowledge into National Value reflects the Chartered Institute of Taxation of Sri Lanka's commitment to converting professional expertise into meaningful economic and social impact. Through education, research, advocacy, and professional development, the Institute empowers tax professionals to uphold the highest standards of practice while contributing to sound fiscal governance. By bridging knowledge and application, we create value for our members, support businesses, strengthen public institutions, and contribute to the sustainable growth and prosperity of Sri Lanka.



About the Report



PDF

Online References

Scan the QR Code with your smart device to view this report online

The Annual Report 2025/2026 provides a comprehensive overview of the Chartered Institute of Taxation of Sri Lanka's performance and achievements during the year under review. It is presented under two principal dimensions: Financial Performance and Operational Performance, offering stakeholders a balanced and transparent account of the Institute's stewardship and progress.

Financial Performance

The Financial Performance section encompasses the period from 1 April 2025 to 31 March 2026 and is based on the Audited Financial Statements of the Institute. It presents a clear picture of the Institute's financial position, including income, expenditure, assets, and liabilities, and reflects the Institute's commitment to prudent financial management, transparency, and accountability.

Operational Performance

The Operational Performance section covers the period from 28 June 2025 to June 2026 and highlights the key activities, initiatives, and accomplishments of the Institute during the year. Through the Executive Council's Review, it provides an overview of the progress made in advancing the Institute's objectives and strengthening its position as the leading professional body dedicated exclusively to taxation in Sri Lanka.

Together, these sections provide members and stakeholders with a holistic view of the Institute's performance and reaffirm its commitment to good governance, professional excellence, and the continued advancement of the tax profession in Sri Lanka.

About the Institute

The Chartered Institute of Taxation of Sri Lanka (CITSL) was established in November 1992 by a distinguished group of retired senior officials of the Department of Inland Revenue with the objective of developing competent tax professionals and promoting greater awareness of taxation and its importance to the national economy.

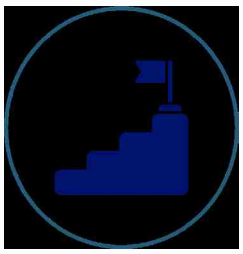
Over the past three decades, the Institute has evolved into the foremost professional body dedicated exclusively to taxation in Sri Lanka. Its contribution to advancing tax knowledge and nurturing professionally qualified and ethically responsible practitioners has earned widespread recognition and respect from both the public and private sectors.

A major milestone in the Institute's development was the enactment of Act No. 21 of 2000 by the Parliament of Sri Lanka, which granted statutory recognition to the Institute and strengthened its role in serving the profession and the nation.

Today, CITSL stands as the only national statutory body representing tax professionals and the sole institution in Sri Lanka devoted exclusively to tax education and professional development. The enactment of the Sri Lanka Institute of Taxation (Incorporation) (Amendment) Act No. 13 of 2023, which formally adopted the name "Chartered Institute of Taxation of Sri Lanka," further reflects the Institute's standing, prestige, and enduring commitment to professional excellence and national development



Our Vision



To be the preferred center of expertise in taxation, excelling in developing professionals, enhancing the value for all stakeholders in enriching the national prosperity

Our Mission



We continuously strive to build tax professionals with competence and confidence, while committing ourselves to educate the public on taxation and advising the Government on improving the associated systems complying with best practices towards ensuring effectiveness

Values of the Institute

T — **Timely**

Being punctual in adhering to commitments

A — **Accountability**

Being answerable to the task of fulfilling expectations

R — **Responsive**

Being proactive in adapting to changes

L — **Loyal**

Being sincere in adhering to the code of conduct of the institute

E — **Ethical**

Being genuine and authentic in tax practices

Objectives of the Institute

a. Create awareness in the field of taxation among the public and to promote and advance the study of the law and practice of taxation, as well as the principles of economic and political science concerning taxation and public finance.

b. Conduct examinations and award certificates to individuals who have demonstrated their knowledge and proficiency in the subject of taxation, as determined by the Examiners and the Council of the institute.

c. Formulate a code of conduct to be observed by the members of the Corporation for regulating their professional conduct.

d. Promote and coordinate the dissemination of tax awareness and knowledge in collaboration with the respective revenue authority.

e. Facilitate the exchange of information and views on taxation, contributing to the creation of a well-informed public opinion on the subject.

f. Provide opportunities for the acquisition and dissemination of valuable information regarding taxation in Sri Lanka and other countries.

g. Make recommendations to the Government for the improvement or simplification of tax law and practice, and to draw attention to anomalies in laws related to taxation, commenting on proposed changes in the laws.

Principles of the Institute

- Mutual Respect
- Integrity
- Neutrality
- Self-reliance and professionalism
- Priority, each member shall always attempt to foster, promote, and respect the interest of the nation, his profession, and his fellow members.

KEY HIGHLIGHTS

A year of strong performance, sustainable growth and creating lasting value.



OUR IMPACT AT A GLANCE

TURNOVER
Rs. 46.78 Mn
Delivering consistent revenue growth.

PRE TAX PROFIT FOR THE YEAR
Rs. 20.51 Mn
Strong profitability driving value creation.

TURNOVER GROWTH
35%
Sustained growth year on year.

PROFIT GROWTH
327%
Significant increase in profit before tax.

OUR ACHIEVEMENTS

25
NEW MEMBERS

20
SEMINARS & WORKSHOPS

874
STUDENT ENROLMENT FOR EACH BATCH

2,157
PARTCIPATION IN SEMINARS & WORKSHOPS

STRATEGIC INITIATIVES

TAXATION IN **AUSTRALIA**

LAND SECURING **AT RAJAGIRIYA**

LMS/IMS INITIATION

01 BUDGET SEMINAR

TAXATION IN **UAE**

Amendment to section 195 of IR Act with Chartered Status

Taxtalk

INITIATION

A New knowledge sharing platform by the Institute aimed at fostering meaningful discussion on taxation, policy, and emerging issues with industry leaders, profession, and policy members

Expert Insights | Thoughtful Conversations | Knowledge Sharing

Our Leadership

For the term 2025/2026, the Council of the Chartered Institute of Taxation of Sri Lanka was duly appointed at the Annual General Meeting (AGM) held on 27th June 2025. Mr. Ruwan Gamage was elected as President, Mr. Gayan Karunarathna as Vice President, Mr. Ramesh Kumar as Secretary, and Mr. Santha Kumara as Treasurer, together with four Council Members.

The Swearing-in Ceremony was held on 17th July 2025 at 6.30 p.m. at the CITSL Auditorium. The newly elected Council was formally inducted into office, marking the commencement of its term and assuming responsibility for steering the strategic direction and governance of the Institute in accordance with its statutory mandate

At this ceremony, Ruwan Gamage was ceremoniously inducted as the new President by the Immediate Past President, Mr. Ranil Abeywardhane, in the presence of the Executive Council members and distinguished invitees, including Past Presidents Mr. P. Guruge, Mr. M. N. Gunasekara, and Mr. Ranil Abeywardhane.

During the ceremony, the President addressed the Council and invitees, outlining his vision and strategy for the development of CITSL and the strategic direction for the next two years. He emphasized the importance of enhancing the Institute's visibility and brand image, increasing membership, attracting more students, and updating members on the latest tax changes, while strengthening its role in supporting the Government in improving tax compliance in the country. He further highlighted the significance of CITSL as the only statutory body established for tax education in Sri Lanka under an Act of Parliament with Chartered status











ANNUAL REPORT

2025/26

PRESIDENT'S MESSAGE



Guided by knowledge.
Driven by integrity.
Committed to national prosperity

As we reflect on the year goneby.
I extend my sincere appereciation to our members, council, staf and all stakeholders foer their continued trust, support and commitment to advancing the profession trengthening the nation

PRESIDENT

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

The year under review marked a significant milestone for CITSL, reflecting strong financial performance and institutional growth. This was highlighted by the attainment of Chartered Status, strengthening tax compliance in Sri Lanka, and key initiatives to position CITSL as the leading institute for tax education in the country, while contributing to the development of the tax profession

It is with great pride and a deep sense of responsibility that I present this message for the Annual Report of the Chartered Institute of Taxation of Sri Lanka (CITSL) for the financial year 2025/2026. The year under review has been one of exceptional progress, strategic transformation, and institutional strengthening, marking a significant chapter in our journey as the national body for tax education and professional development.

Strong Financial Performance and Institutional Stability

The Institute recorded a remarkable financial performance during the year, achieving a turnover of Rs. 46.7 million and a profit before tax of Rs. 20 million. This translates to an impressive profit margin of approximately 43%, reflecting prudent financial management, disciplined cost controls, and improved operational efficiency.

This performance is particularly noteworthy in the context of a challenging economic environment. It demonstrates the resilience of the Institute and validates the strategic direction adopted following the conferment of Chartered status. Our strengthened financial position enables us to reinvest in academic development, infrastructure, technology, and member services, thereby ensuring long-term sustainability.

Growth in Student Enrollment and Academic Expansion

One of the most encouraging developments during the year has been the significant increase in student registrations—the highest recorded in recent years. This growth reflects renewed confidence in the Institute and its qualifications, as well as the increasing recognition of taxation as a critical professional field.

We have continued to expand our academic portfolio to meet evolving market demands. In addition to our core programmes in domestic taxation, we have successfully introduced and promoted international taxation pathways, including programmes relating to Australia and the United Arab Emirates. These initiatives have broadened opportunities for our students and members to engage in global tax practice and enhance their employability both locally and internationally.

Further, practical training-oriented programmes were introduced to bridge the gap between theoretical knowledge and real-world application. These programmes aim to produce competent, industry-ready professionals who can contribute effectively from the outset of their careers.

Advancing global collaboration in taxation through partnerships with foreign institutions to enhance international recognition, member value, professional mobility, and overseas career opportunities.

President's Message

Brand Building, Outreach, and Awareness Initiatives

During the year, the Institute undertook a series of strategic brand-building and awareness initiatives aimed at strengthening its visibility and outreach. University engagement programmes were conducted across several institutions to promote taxation as a viable and rewarding career path. These were complemented by student motivational sessions designed to inspire and guide prospective candidates.

A key highlight was the introduction of the monthly "Tax Talk" series, which serves as a knowledge-sharing platform featuring discussions on current tax developments, policy changes, and professional insights. This initiative has been well received by students, members, and the wider public, enhancing the Institute's role as a thought leader in taxation.
In addition, the Institute strengthened its digital presence through the launch of an official YouTube channel. This platform is being used to disseminate educational content, share expert discussions, and improve public awareness of taxation matters.

Strengthening Academic Governance and Quality Assurance

Ensuring the integrity, transparency, and quality of our academic processes remains a top priority. During the year, significant steps were taken to strengthen academic governance structures.

An Examination Board was established to oversee examination standards and policies, supported by a dedicated Paper Marking Panel. Independent moderation processes were also introduced to ensure fairness, consistency, and credibility in the evaluation of students.

These measures have enhanced stakeholder confidence in the Institute's qualifications and reinforced our commitment to maintaining high academic standards.

Additionally, efforts have been made to introduce a six-month internship training programme for our students to provide practical knowledge and exposure.

Digital Transformation and Technological Advancements

Recognizing the importance of technology in modern education and administration, the Institute initiated key digital transformation projects during the year.
Steps have been taken to implement a Learning

Management System (LMS), which will provide students with improved access to learning materials, online assessments, and interactive learning tools. This system is expected to significantly enhance the student experience and academic delivery.

In parallel, an Institute Management System (IMS) is being developed to streamline administrative functions, improve data accuracy, and enhance overall operational efficiency. These technological advancements are critical in positioning the Institute for future growth and scalability.

> Advancing institutional excellence through strong financial performance, academic innovation, digital transformation, and global partnerships, while fostering professional development, enhancing member value, and contributing to sustainable national growth and a stronger tax culture in Sri Lanka.

International Collaboration and Global Opportunities

The Institute has continued to strengthen its international outlook by developing partnerships and pathways that enable global mobility for its members and students.

The introduction of UAE taxation programmes and pathways to the Chartered Tax Adviser (CTA) qualification in Australia represent significant milestones. These initiatives not only enhance professional recognition but also create opportunities for members to engage in international practice and earn foreign income.

Such collaborations are aligned with our vision of positioning CITSL as a globally connected professional body.

Infrastructure Development and Strategic Investments (replace)

The Institute has been operating from a rented office building for over 33 years, during which time rental expenditure has amounted to several million rupees. At present, the monthly rental expense is Rs. 575,000/=

The Institute has long sought a suitable land to construct its own office building; however, these efforts were not successful. Consequently, this responsibility was assigned to me.

I identified several potential locations; however, they were not suitable for an educational institute. Subsequently, I identified a 20-perch bare land in Rajagiriya, near the flyover. The Inland Revenue Department (IRD) has also decided to relocate to a site very close to the land allocated to us by the Urban Development Authority (UDA)

Once the IRD is relocated from Colombo to Rajagiriya, both the IRD and the Chartered Institute of Taxation of Sri Lanka (CITSL) will be in close proximity. This geographical alignment is expected to facilitate greater engagement with taxpayers and stakeholders, as both institutions will be located within visible and easily accessible distance of each other., and submitted a formal request accordingly. The Urban Development Authority (UDA) thereafter required approval from the relevant Line Ministry. Initially, progress was not successful due to the absence of a direct governmental linkage.

Thereafter, I was able to obtain the concurrence of His Excellency the President in this regard. Following this, the UDA obtained Board approval and Line Ministry approval. The matter is currently under consideration by the Valuation Department for a 30-year lease arrangement in favour of the Institute.

This initiative is expected to result in significant long-term cost reduction. If rental costs over a 30-year period are considered, the total expenditure would exceed approximately Rs. 225 million, taking inflation into account. By 2055, the monthly rental cost is projected to exceed Rs. 1 million.

Even under current conditions, the acquisition of this land would result in savings of approximately Rs. 400,000/= per month.

In parallel, I have initiated steps to secure funding for the construction of an office building with the support of the World Bank and the Asian Development Bank, and the process has already been commenced

President's Message

Policy Advocacy and Professional Recognition

The Institute continued its engagement with policymakers and relevant authorities to enhance the recognition of its qualifications and membership. Efforts have been made under Section 195 of the Inland Revenue (Amendment) Act No. 11 of 2026 to formally recognize CITSL members with chartered status. In addition, a request has been submitted to the relevant line ministry to recognize our membership for recruitment within the Inland Revenue Department.

These initiatives are critical in elevating the professional standing of our members and ensuring that they are appropriately recognized within the national framework.

> Recognizing our qualifications for Revenue Authority positions and internships, and establishing opportunities for students following the course, while adding value to membership as a training partner to supervise students, enhance curriculum value, and provide practical taxation training.

Contribution to National Development

As the premier body for tax education in Sri Lanka, the Institute plays a vital role in promoting tax compliance, improving tax literacy, and supporting national revenue generation.Through our academic programmes, professional training, and public awareness initiatives, we contribute to building a strong tax culture that is essential for sustainable economic development.

The Institute remains committed to supporting government efforts to strengthen the tax system, foster tax compliance, and educate the public on tax knowledge in order to expand the tax base of the country and promote a sustainable future with stronger tax discipline.

Constitutional Amendments

The Institute's Constitution, originally prepared in the year 2000, has become outdated and requires comprehensive revision to align with current operational and administrative needs. Accordingly, a process has been initiated to introduce necessary amendments, subject to approval at a Special General Meeting with a two-thirds majority of members present and voting.

A committee chaired by the Hon. Secretary, comprising Past Presidents and interested members, was appointed to review the Constitution. The committee considered proposals from members and conducted several deliberations before finalizing the draft amendments.

The proposed amendments are now ready to be circulated among members for their feedback prior to submission for formal approval at a Special General Meeting.

Appreciation and Acknowledgment

The achievements of the Institute during the year under review were made possible through the collective efforts, dedication, and unwavering support of the Members of the Council, lecturers, Inland Revenue Officers, staff, and all other stakeholders. Their continued commitment has significantly contributed to the development and strengthened standing of the Institute within the profession.

Appreciation and Acknowledgment

The achievements of the Institute during the year under review were made possible through the collective efforts, dedication, and unwavering support of the Members of the Council, lecturers, Inland Revenue Officers, staff, and all other stakeholders.

Their continued commitment has significantly contributed to the development and strengthened standing of the Institute within the profession.

I extend my sincere appreciation to the Members of the Council, the Seminar Committee, the Curriculum Development Committee, and the Constitutional Amendment Committee for their leadership, guidance, and voluntary service. Their contributions have been instrumental in strengthening the financial position of CITSL, shaping its strategic direction, and ensuring its continued growth and stability. I also acknowledge the Chief Executive Officers who served during the year, together with the staff of CITSL, for their professionalism and dedication, as well as all stakeholders for their continued cooperation and support.

Looking ahead, I am confident that CITSL will continue to uphold its reputation for excellence, innovation, professionalism, and integrity, while further advancing the professional development of its members and contributing meaningfully to society.

Looking Ahead

As we look to the future, we remain optimistic and confident in our ability to build on the strong foundation established during the year.

Our focus will continue to be on expanding academic offerings, enhancing digital capabilities, strengthening international collaborations, increasing membership, and improving member services. We remain committed to upholding the highest standards of professionalism, integrity, and innovation in all our activities.

The journey ahead presents both opportunities and challenges, but with the continued support of our stakeholders, we are well positioned to achieve our vision of becoming a leading center of excellence in taxation.

Conclusion

In conclusion, the year 2025/2026 has been one of significant achievement and progress for the Chartered Institute of Taxation of Sri Lanka. Our strong financial performance, academic expansion, technological advancements, and strategic initiatives have collectively strengthened the Institute's position.

Together, we will continue to shape the future of the tax profession, contribute to national development, and create lasting value for our members, students, and society at large.



Mr. Ruwan Gamage
President

ANNUAL REPORT
2025/26

SECRETARY'S MESSAGE



Dedicated to service.
Driven by accountability.
Committed to institutional excellence

As we reflect on the year's progress, I extend my sincere appreciation to our members, council, staff, and stakeholders for their continued trust and cooperation. Your collective support has strengthened the Institute and advanced our shared vision for the profession and the nation.

SECRETARY
CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

Dear Members and Stakeholders,

It is with great honour, humility, and a deep sense of gratitude that I present this message in the Annual Report 2025/2026 of the Chartered Institute of Taxation of Sri Lanka (CIT Sri Lanka).

The President's Message comprehensively reflects the Institute's achievements, progress, and accomplishments during the year under review. Therefore, I do not intend to reiterate those matters. Instead, I wish to share a few personal reflections as I conclude my tenure as Secretary of the Institute.

Having had the privilege of serving the Institute over eight terms in various capacities, including as Secretary, I step down from office with immense pride in what we have collectively achieved. The growth and transformation of CIT Sri Lanka over the years have been made possible through the dedication of our members, the leadership of successive Presidents and Councils, and the unwavering commitment of our Secretariat staff.

Among the many milestones achieved during my tenure, one that holds particular significance for me is the contribution made towards securing greater recognition for the taxation profession at the national level.

Through our representation at the Organization of Professional Associations of Sri Lanka (OPA), together with former President Mr. Prasanga Ranawatte, we worked diligently to establish Taxation as a distinct professional discipline rather than being subsumed under the broader field of accountancy. I am pleased that these efforts culminated in the formal recognition of Taxation as the 34th professional discipline represented within OPA.

This achievement was a landmark moment not only for our Institute but also for the taxation profession. It elevated the visibility, standing, and identity of tax professionals within Sri Lanka's professional landscape and strengthened the Institute's influence and contribution within the country's apex professional body.

If there is one legacy I would wish to leave behind, it is the knowledge that the taxation profession today enjoys greater recognition, visibility, and respect within Sri Lanka's professional community than it did a decade ago. I am grateful to have played a small part in that journey.

As I step down from the office of Secretary, I do so with complete confidence in the future of our Institute. CIT Sri Lanka is today stronger, more respected, and better positioned than ever before to advance the interests of the profession and contribute meaningfully to national development through tax education, professional excellence, and thought leadership.

Although I have chosen not to seek re-election as Secretary, my association with this Institute certainly does not end here. CIT Sri Lanka has been an important part of my professional life, and I remain committed to supporting its future endeavours whenever my experience or services may be of value.

I take this opportunity to express my sincere appreciation to all members who placed their trust and confidence in me over the years. I am equally grateful to the Presidents, Vice Presidents, Council Members, Chief Executive Officers, and Secretariat staff with whom I had the privilege of working. Their cooperation, friendship, and dedication have made my tenure both rewarding and memorable.

As I leave office, I do so with cherished memories, invaluable experiences, lasting friendships, and profound gratitude. More importantly, I leave with immense confidence that the Institute will continue to flourish under the stewardship of future leaders.

May CIT Sri Lanka continues to grow in stature, strengthen its professional standing, and serve future generations of tax professionals with distinction and integrity.

While I may be stepping down from the office of Secretary, I will always remain a proud member, steadfast supporter, and dedicated ambassador of this Institute.

I wish the Institute and its members every success in the years ahead.



Mr. V. Rameshkumar
Secretary

ANNUAL REPORT

2025/26

IMMEDIATE PAST CEO'S MESSAGE



"Leading with purpose.
Building with vision.
Leaving a legacy
of impact."

STRONG FOUNDATION | GOVERNANCE & INTEGRITY | SUSTAINED GROWTH | MEMBER VALUE

It has been honour to serve this distinguished Institute. Together, we have strengthened our foundation, expanded our reach for our members and the profession

Ssantha

CEO

OF TAXATION OF SRI LANKA

Dear Members, Students, Stakeholders, and Professional Partners,

It is with great pride and commitment that I address you on behalf of the Chartered Institute of Taxation of Sri Lanka (CITSL). Our Institute continues to stand as a center of excellence dedicated to advancing knowledge, ethical standards, and professional competency in the field of taxation.

In today's rapidly evolving economic and regulatory environment, taxation professionals play a critical role in supporting businesses, governments, and society. As an Institute, we remain committed to empowering our students and members through quality education, professional development, research, and industry collaboration.

Tax awareness among school children is essential for fostering a culture of voluntary tax compliance and promoting civic responsibility from an early age. One of the main objectives of this Institute is to increase the level of tax awareness, which is currently limited at the school level. Therefore, CITSL is working closely with the Inland Revenue Department to develop a suitable program aimed at providing an understanding of taxation, particularly for Advanced Level students.

These awareness programs are especially important as Government policy now requires every citizen above the age of eighteen to obtain a Taxpayer Identification Number (TIN). This initiative will help improve tax knowledge among young citizens and contribute to increasing Government revenue in the future.

Due to the significant changes introduced to the taxation policies of the Government of Sri Lanka since 2022, there has been a rapid increase in the demand for tax professionals. As the nation's statutory body for tax professionals, CITSL remains committed to meeting this growing demand.

The year 2025/2026 marked another significant step forward in CITSL's mission to advance the tax profession in Sri Lanka through education, seminars, workshops, and tax talks focused on professional development and ethical practice. These initiatives are designed to support our members, students, and other tax professionals in meeting the evolving needs of both the public and private sectors.

We firmly believe that integrity, innovation, and continuous learning are the foundations of professional success. Together, we will continue to strengthen the taxation profession and contribute positively to national and global economic progress. The tax landscape is changing rapidly with digitalization, international tax reforms, and increased compliance requirements. In the coming year, the Institute will focus on:

- Updating our curriculum to align with global standards and BEPS developments;
- Strengthening industry partnerships for internships and practical training;
- Enhancing member services and professional recognition pathways; and
- Digitalizing student services, examination processes, and communication channels to improve accessibility and efficiency.

I extend my sincere appreciation to all our members, faculty, partners, and stakeholders for their continued support and dedication. Let us continue working together to build a stronger and more respected professional communitv.



B.K Saman Shantha
Immediate Past Chief Executive Officer

ANNUAL REPORT

2025/26

CEO'S MESSAGE

Driving progress.
Empowering professionals.
Enabling a stronger tax nation.



STRATEGIC GROWTH

INTEGRITY & EXCELLENCE

MEMBER FOCUS

INNOVATION & TRANSFORMATION

We have advanced our mission, embraced change and continued to create meaningful value for the tax profession and the nation. I look forward with confidence to an even brighter future ahead

[redacted]

CHIEF EXECUTIVE OFFICER
CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

Dear Members, Students, Stakeholders, and Professional Partners,

It is with a profound sense of responsibility and pride that I present the Annual Report of the Chartered Institute of Taxation of Sri Lanka (CITSL) for the financial year ended 31 March 2026. The year under review reflects resilience, measured growth, and a decisive shift towards strategic transformation in advancing our statutory mandate under Act No. 21 of 2000, as amended by Act No. 13 of 2023.

In an increasingly complex fiscal environment, the Institute has strengthened its financial foundation while broadening its influence across the academic, professional, and policy dimensions of taxation. Our focus remains on shaping a progressive tax ecosystem driven by knowledge, integrity, and collaboration—contributing meaningfully to national development and fiscal sustainability.

Beyond financial performance, CITSL's strength lies in its academic and professional contributions. We continued to deliver statutory objectives, including examinations, certification, and tax awareness. Our curriculum—spanning application, analyst, and advisory levels—attracted growing student numbers, with course fees and examination participation reflecting this upward trend. Collaboration with the Inland Revenue Department has supported efforts to expand the tax net, while our role in educating students on compliance and governance directly supports the Government's goal of improving the tax to GDP ratio.

Looking ahead, CITSL is committed to advancing its role as an epicenter of excellence in taxation education. Key initiatives include a comprehensive Member Directory to foster networking and recognition, structured study packs to support students, and expanded digital learning platforms for accessibility. We also aim to strengthen international partnerships and enhance member services, positioning CITSL as a nationally and internationally recognized institution.

I extend my gratitude to the Governing Council, staff, members, and students for their dedication. Together, we continue to build CITSL as the premier institution for taxation education and practice in Sri Lanka, contributing to a stronger economy and a more compliant society.

Warm regards,



Prof. Kennedy D. Gunawardana
Chief Executive Officer

EXECUTIVE COUNCIL



EXECUTIVE COUNCIL MEMBERS

Seated

Left to Right

Shantha kumara, Ramesh Kumar, Ruwan Gamage, Gayan Karunarathne

Standing

Left to Right

S.Elangovan, Ranga Nanayakkara, Sampath Munasinghe, mahesh ranawakarachchi, Dr. Sivaji Felix, L. Velu, Prabath weerasinghe

Council Members for the Year 2025-2026



Ruwan C. Gamage

President

MBA in Taxation (PIM -SJP), FCIT, CTA, MCPM, SLDP



J. D. Ranga. A. Nanayakkara

Council Member

BSc (Agric.), MBA (UOC), FCMA (UK), CGMA, FCMA (SL), FCIT (SL), FMATT, FCPM, CPA



Gayan T. Karunarathne

Vice President

Attorney -At -Law, LLB, B.Sc. (Acct) Sp, FCA, FCIT, ACMA (SL), FMAAT



Prabath Weerasinghe

Council Member

BB Mgt. (HRM) SP, ACA, MAAT, FCIT, ACMA (SL), MBA in Taxation (PIM – SJP),FCIT



V. Rameshkumar

Secretary

FCMA (UK), CGMA, FCMA(SL), FCIT, FCPM



Sampath Munasinghe

Council Member

FCIT, CTA, MCPM



Shantha Kumara

Treasurer

ACIT, CBA (CA Sri Lanka), LICA, SAT(SL), PGD(Mgt.) (RIT, SL), PGD (Ports, Shipping & Logistics) (Netherlands)



S.Elangovan

Council Member

ACIT,MAAT, CBA, CPMA & IAB UKT



Dr. J.A.S. Felix

Council Member

LL. B. (Hons.) (London); LL. B. (Hons.) (Colombo); Ph. D. (London); FCIT; Fellow, Society for Advanced Legal Studies, University of London; Diploma (cum laude), Institute Du Federalism (Fribourg - Suisse); Member, Taxes Committee, International Bar Association; Member, Society of Legal Scholars (UK and Ireland); Fellow, Royal Society of Arts (London); President's Counsel



Mahesh Ranawakaarachchi

Council Member

MBA in Taxation (PIM), BBMgt. (Acc.) SP Hon., FCIT, FPFA, CTA(CASL), NCM



L. Velu

Council Member

FCIT, MBA in Taxation (PIM)

Past Presidents



EXECUTIVE COUNCIL REVIEW

This Annual Report of the Chartered Institute of Taxation of Sri Lanka incorporates the Executive Council Report to Members, comprising messages from the President, Secretary, Immediate Past CEO, Chief Executive Officer, and reports from the Chairpersons of the various Subcommittees of the Institute.

These reports collectively provide an overview of the Institute's activities, achievements, challenges, and future direction during the year under review. The messages from the President, Secretary, Immediate Past CEO , and Chief Executive Officer highlight the strategic priorities, key accomplishments, and significant developments of the Institute, while the Treasurer's Report presents the overall financial performance and position of the Institute.

The reports of the Subcommittee Chairpersons focus on their respective areas of responsibility, including education and training, membership affairs, professional development, and other activities aimed at advancing the objectives of the Institute. These reports provide valuable insights into the initiatives undertaken, programs conducted, and recommendations aimed at enhancing the effectiveness of the Institute and promoting the professional competence of its members.

The inclusion of these reports in the Annual Report is intended to provide members and other stakeholders with a comprehensive account of the Institute's performance and progress during the year and to keep them informed of the strategic direction and future of the Institute.





SECTION

02

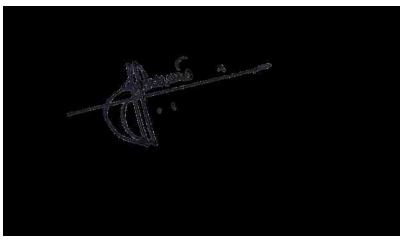
COMMITTEES & GOVERNANCE STRUCTURE

SUBSECTIONS

- CHAIRMAN'S REPORT OF THE WEB-BASED DEVELOPMENT COMMITTEE
- CHAIRMAN'S REPORT OF THE PUBLIC SEMINAR COMMITTEE
- ATTENDANCE OF THE COUNCIL MEMBERS



CHAIRMAN'S REPORT OF THE WEB-BASED DEVELOPMENT COMMITTEE



It is with great pleasure and satisfaction that I present this report as the Chairman of the Web-Based Development Committee for the year 2025/2026.

During the year under review, the Committee continued its dedicated efforts to strengthen the Institute's digital infrastructure and online presence, ensuring that students, members, and other stakeholders have greater access to information, services, and professional resources. Through the enhancement and maintenance of our web-based platforms, we have improved communication, engagement, and operational efficiency across the Institute.

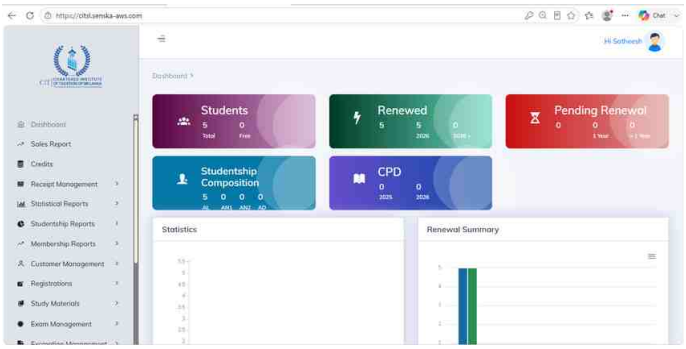
These achievements reflect our commitment to supporting the Institute's vision and delivering greater value to our members in an increasingly connected and technology-driven environment.

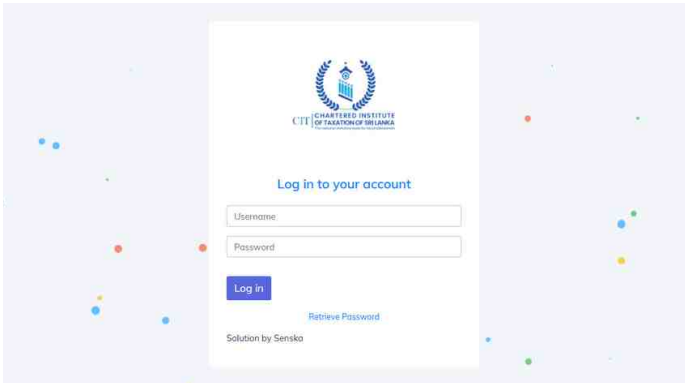
Institute Management Software (IMS)

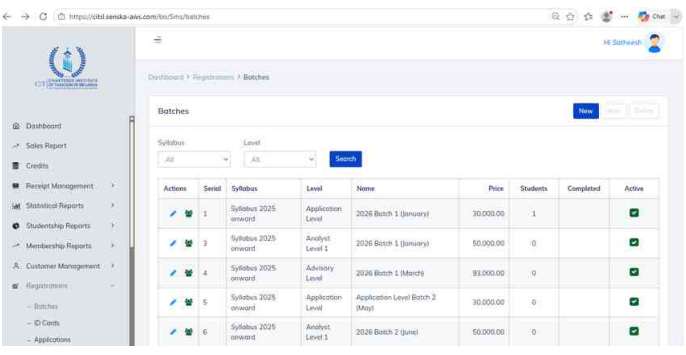
The Institute initially developed its website with the long-term objective of implementing a fully integrated Institute Management Software (IMS). I am pleased to report that during the financial year under review, we successfully commenced the implementation of the IMS, and the system is expected to become fully operational in the near future.

The implementation of the IMS represents a significant milestone in enhancing the efficiency, accuracy, and transparency of the Institute's operations. As a professional education body that conducts examinations, training programs, and membership services, the Institute manages a wide range of academic and administrative processes that require timely and reliable information management.

The IMS provides an integrated platform to manage student registrations, examination administration, results processing, membership records, financial transactions, and stakeholder communications. By automating key processes and reducing manual intervention, the system enhances operational efficiency, strengthens internal controls, improves data security, and supports informed decision-making.







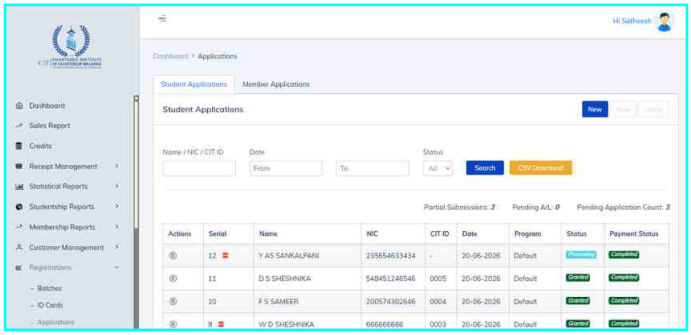
IMS Milestones Achieved

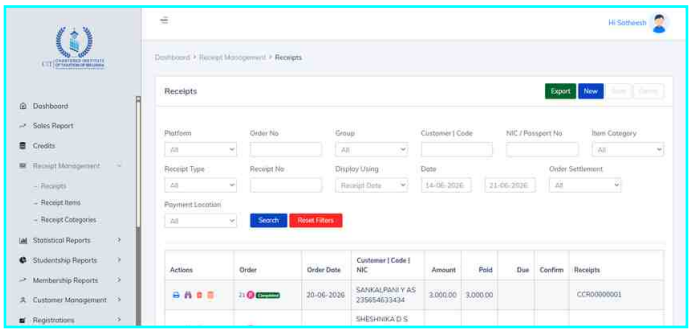
I am pleased to report that the following key milestones have been successfully completed during the implementation phase of the IMS. The remaining developments are expected to be finalized, enabling the system to become fully functional within the current financial year.

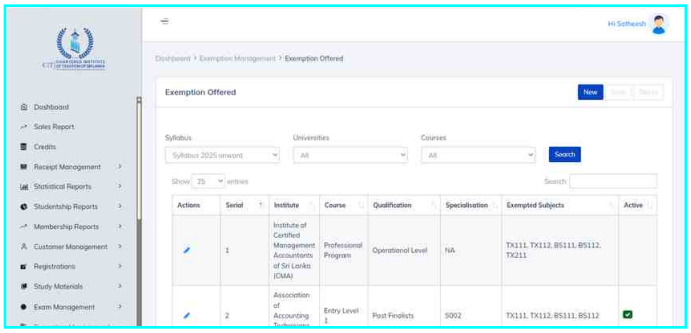
1. Access Management
2. Student Module
    - 2.1 Student Registration
    - 2.2 Level Registration
    - 2.3 Renewal
    - 2.4 Exemptions
    - 2.5 Examination Management
3. Sales Module
    - 3.1 Inventory Management
    - 3.2 Online Payments
    - 3.3 Bank Deposits
    - 3.4 Point of Sale (POS)
    - 3.5 Credits and Refunds
    - 3.6 Sales Functions
    - 3.7 Reports

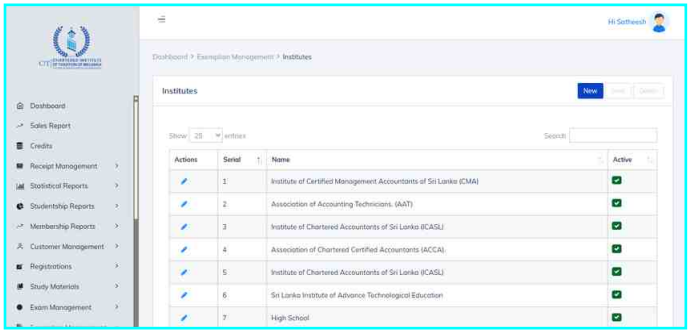
The Committee remains committed to completing the remaining phases of the IMS and continuously enhancing the Institute's digital capabilities. I wish to express my sincere appreciation to the Council, staff members, developers, and all stakeholders who contributed to the successful progress of these initiatives. Their dedication and support have been instrumental in achieving these milestones.

I look forward to the successful completion of the IMS and the continued advancement of the Institute's digital transformation journey.











CHAIRMAN'S REPORT OF THE PUBLIC SEMINAR COMMITTEE

Mr. S. Elangovan
Council Member

Enhancing Member Engagement and Professional Development

Leadership is not about waiting for opportunities to present themselves, but about embracing responsibility and creating opportunities to serve. Guided by this belief, I had the privilege of joining the Council of the Chartered Institute of Taxation of Sri Lanka (CITSL) in June 2025 following the confidence placed in me by the membership.

I was subsequently entrusted by the President, Mr. Ruwan Gamage, and the Executive Council with the responsibility of chairing the Combined Committee comprising Public Seminars, Member Relations, and Editorial functions. I was ably supported by our dedicated Secretary, Ms. Y. A. Pramodha Sankalpani, an enthusiastic team of committee members, and the CEO and staff of the Institute.
With the guidance of the President and Council Members and the commitment of all those involved, we worked together with a common purpose to enhance member engagement and deliver meaningful value to our members, students, and the wider community.

Despite the challenges encountered during the year, the Committee successfully organized more than ten seminars and workshops catering to members, students, and the public. In addition, four hybrid Tax Talk sessions were conducted featuring eminent and highly experienced resource persons. These sessions provided an invaluable forum for discussing practical taxation issues and exchanging professional insights.

Through these initiatives, the Committee generated revenue exceeding Rs. 3 million, thereby making a significant contribution to the financial sustainability and growth of the Institute.

Equally noteworthy were two flagship events organized for our members, Members' Day and Members' Connect. These events provided excellent opportunities for networking, knowledge sharing, and strengthening professional relationships in an atmosphere of fellowship and camaraderie. The positive feedback received from participants reaffirmed the value and impact of these initiatives.

Committee Members


Mr. S. Elangovan


Ms. Y.A Prabodha Sankalpani


Mr. Chaminda Nanayakkara


Ms. Janaki Rupasinghe


Mr. Thusitha Karunarathne


Mr. Afzal Ramzi


Mr. T.M Shahabdeen

These achievements would not have been possible without the collective efforts and unwavering support of the President, Council Members, CEO and staff, committee members, resource persons, sponsors, and our valued members. Their dedication and teamwork played a pivotal role in the success of our activities throughout the year.

These achievements would not have been possible without the collective efforts and unwavering support of the President, Council Members, CEO and staff, committee members, resource persons, sponsors, and our valued members. Their dedication and teamwork played a pivotal role in the success of our activities throughout the year.

It has been both a privilege and an honour to serve as Chairman of the Public Seminars, Member Relations, and Editorial Committee. I take pride in the milestones we have achieved together and in the positive impact our programs have made on members, students, and the wider community.

As we look to the future, I am confident that CIT Sri Lanka will continue to grow from strength to strength, guided by the professionalism, commitment, and vision of its members. Together, let us continue to uphold the highest standards of the taxation profession and further enhance the reputation and value of our Institute.

I extend my sincere appreciation to everyone who contributed to the success of our endeavours during the year. Your support and commitment have been invaluable, and I look forward to continuing our shared journey in advancing the Institute and serving the profession with excellence.









Attendance of the Council Members

The Executive Council elected at the Annual General Meeting held on 27 June 2025 was responsible for the governance and oversight of the affairs of the Chartered Institute of Taxation of Sri Lanka (CITSL) during the year under review.

The Council met on twelve (12) occasions in regular sessions to consider strategic, policy, and operational matters affecting the Institute. In addition, four (4) special meetings were convened to address urgent and specific issues requiring the attention of the Council.

The table below sets out the attendance of Council Members at the twelve (12) regular meetings held during the year

Name	Position	Remarks Present
		12 out of 12
		05 out of 12
		12 out of 12
		12 out of 12
		03 out of 12
		10 out of 12
		08 out of 12
		09 out of 12
		11 out of 12
		12 out of 12
		09 out of 12

Membership of the Institute

Admitted During the year	-	-	(+25)	(+25)
Members Terminated	-	(-02)	(-02)	(-04)
Members count as at 31st March 2025	05	202	194	401

SECTION

03

MEMBERSHIP & PROFESSIONAL EXCELLENCE



SUBSECTIONS

- MEMBERSHIP DEVELOPMENT
- PUBLIC SEMINARS & MEMBER AFFAIRS
- STAKEHOLDER ENGAGEMENT

Membership Development

‘Tax Talk” for Updating Members and Students

‘Tax Talk” for Updating Members and Students

Another key initiative introduced by the Institute during the year was the launch of a monthly tax awareness programme titled “Tax Talk.” This programme is conducted with the support of industry tax experts, as well as officers of the Inland Revenue Department, the Ministry of Finance, and the Presidential Secretariat who are involved in tax reforms in Sri Lanka. The initiative aims to enhance awareness among members, students, and the general public, while also fostering active engagement with the Institute’s membership. All sessions were moderated by members of the Institute.

“Tax Talk” is offered free of charge to both members and students and is designed as an interactive dialogue platform to discuss critical areas of taxation, recent amendments, and potential future changes to tax laws. This enables tax consultants, members, and students to remain well-informed and better equipped to advise their clients effectively. Furthermore, these sessions contribute to enhancing the visibility of the Institute among the public, with key insights being shared on social media platforms and communicated to members and students to further strengthen overall tax awareness.









Public Seminars & Member Affairs

The Institute has increased its efforts in organizing seminars and workshops on various topics, particularly in areas where ambiguities exist, with the aim of generating income and enhancing public awareness. These initiatives are conducted with the support of tax experts from the industry as well as officers of the Inland Revenue Department. Awareness initiatives were actively promoted during the financial year, resulting in improved public understanding of the flexible options available for completing the tax courses offered by CITSL. The Institute also developed AI-based videos and conducted live presenting videos to promote its tax courses, leading to a notable increase in new student registrations.

Furthermore, measures are being undertaken to enhance engagement with students who have discontinued their professional studies due to various challenges. These include offering "Tax Talk" sessions free of charge to update and strengthen their knowledge of tax changes and developments, as well as introducing rejoining policies to facilitate their return to the courses and progression towards membership. In addition, discussions are held with affected students, and these efforts also focus on raising awareness of available flexibilities and providing career guidance, with the objective of encouraging and motivating such students to rejoin their studies and thereby reduce dropout rates. While there has been notable progress in new student registration, measures are being taken to increase engagement with students who have not continued their professional journey due to various obstacles. This initiative will be further strengthened during 2026.

With frequent changes in taxation and increasing complexity, there has been a significant demand for taxation expertise in the market. In response, the Institute organized a series of workshop-style sessions on topics such as Value Added Tax, recent changes in customs procedures, Permanent Establishment (PE) in international taxation and cross-border transactions, tax interpretation rules and recent decided tax case law. These workshops were conducted by Inland Revenue officers who are experts in the field. Sessions on tax interpretation rules were conducted by an Assistant Solicitor General of the Attorney General's Department, while the remaining sessions were delivered by industry experts.

Recognition of CITSL Membership for Eligibility to Apply for Vacancies at the Inland Revenue Department

Representations were made to the Ministry of Finance and the Secretary to the President requesting official recognition of our membership for the purpose of recruitment to vacancies within the Inland Revenue Department.

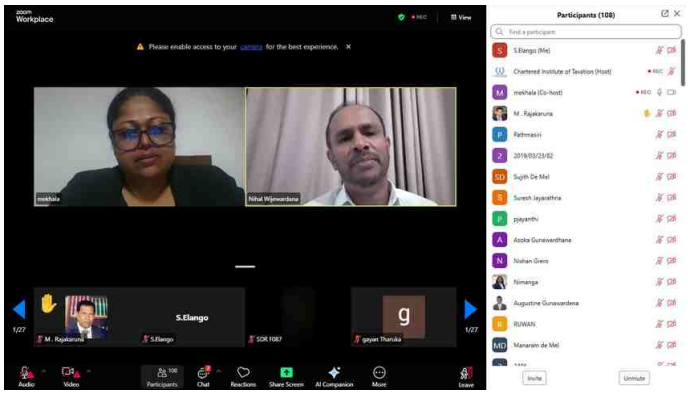
The request was made with the intention of enhancing awareness and recognition of the Institute and its professional qualifications, particularly in circumstances where the Inland Revenue Department presently recognizes mainly Bachelor's Degree holders and members of professional accounting bodies, including Chartered Accountants, for recruitment purposes.

Accordingly, members who successfully complete the two-and-a-half-year course of study acquire specialized expertise in taxation, which would be highly beneficial to the Government and the Inland Revenue Department in strengthening tax administration and facilitating the efficient collection of government revenue.



The First Budget Seminar in the History of CITSL

For the first time in history, we were able to organize a budget seminar immediately following the presentation of the national budget. The seminar was conducted by an Inland Revenue Officer attached to the Secretariat Unit, who was instrumental in the preparation of the budget from the Inland Revenue Department's perspective, together with a director from the Ministry of Finance, Budget Department, and a former Deputy Governor of the Central Bank who had just retired.





This event was remarkable, with a significant number of participants attending both physically and virtually. It marked a turning point for our Institute, which is the only institution established for tax education under an Act of Parliament. In this capacity, it is incumbent upon us to take the lead in presenting and analyzing upcoming budget proposals promptly after the budget is presented to Parliament by the Honorable Minister of Finance.



Stakeholder Engagement

Member's Connect

The Institute identified that member engagement is comparatively low in relation to other professional membership bodies. Accordingly, it was decided to organize an event titled **"Members Connect 2025,"** which was fully funded through membership contributions. The event served as a successful and well-received gathering, providing an opportunity for members to reunite, network, and share their thoughts and experiences.

Registration of Training Partners

As it is a mandatory requirement for students to undergo six months of practical training under the supervision of a member of CITSL, a Commissioner of the Inland Revenue Department (IRD), or a Chartered Accountant engaged in tax practice, guidelines have been developed for the registration of training partners. These guidelines are intended to provide formal recognition to members engaged in tax practice and employed within organizations, thereby enabling them to undertake a supervisory role in overseeing students' training, maintaining training records, and making recommendations for admission to membership of CITSL. In addition, this initiative aims to enhance awareness of the Institute among large organizations and audit firms. Accordingly, eligible members and organizations may register as training partners, subject to the payment of an annual fee to the Institute.

Establishment of the Official YouTube Channel for Sharing Tax Updates

It has been established an official YouTube channel for the Institute with the objective of disseminating knowledge and enhancing public awareness on taxation and related professional matters. The channel will be utilized to share seminars, workshops, Tax Talks, and other educational programs conducted by the Institute.

Further, the initiative is intended to facilitate interviews and discussions with industry tax experts, professionals, and members of the Institute on matters relating to taxation, regulatory developments, and current industry practices. The primary purpose of this initiative is to provide timely updates and educational content to students, members, and the general public, thereby promoting professional knowledge, awareness, and engagement in the field of taxation.

It is anticipated that the establishment of such a platform will strengthen the Institute's outreach, enhance professional communication, and contribute towards increasing awareness and understanding of taxation-related matters among all stakeholders.

Amendment to Section 195 of the Inland Revenue Act to reflect the Chartered Institute of Taxation of Sri Lanka

The name of CITSL was changed in 2023 from the Sri Lanka Institute of Taxation to the Chartered Institute of Taxation of Sri Lanka. Accordingly, it is necessary to amend Section 195 of the Inland Revenue Act No. 24 of 2017, in relation to authorized representatives, to reflect the revised name together with its Chartered status.

A proposal to this effect was submitted to the Ministry of Finance and the Inland Revenue Department and was subsequently incorporated into the proposed Inland Revenue Bill published in 2026. Under this amendment, the reference to "members of the Sri Lanka Institute of Taxation" will be replaced with "members of the Chartered Institute of Taxation of Sri Lanka," thereby enabling such members, in their Chartered capacity, to represent taxpayers under the Inland Revenue Act.



In-House Tax Workshops at Large Organizations

Discussions were initiated with several large organizations with the objective of enhancing awareness of the Institute's educational and professional programs and encouraging their staff members to enroll in the courses conducted by the Institute. In addition, it was proposed to conduct in-house workshops and awareness programs in collaboration with the respective Human Resource Departments of such organizations, particularly on areas relating to APIT, VAT, and other taxation matters, in view of the existing knowledge gaps in the practical application of tax laws and regulations within the corporate sector. Accordingly, the initial discussions were held with the Sri Lanka Insurance Corporation, and the first workshop under this initiative was successfully conducted at ENCE and later at EFC. Further, staff members of the Institute were advised and encouraged to continue engaging with similar large-scale organizations for the purpose of expanding professional awareness programs and strengthening institutional collaboration







Student Development

Internship Opportunity for Our Students at the Inland Revenue Department

The Institute is in the process of seeking approval from the Inland Revenue Department to facilitate internship opportunities for our students. In accordance with the Institute's revised curriculum, which is structured at a bachelor's degree level comprising 120 credits, it is a mandatory requirement for students to undergo six months of practical training under the supervision of the tax authority or a member of CITSL, as a prerequisite for admission to membership at CITSL

Furthermore, the majority of our students are graduates of state universities and holders of various finance and accountancy qualifications. The curriculum primarily focuses on national tax legislation, including the Inland Revenue Act, Income Tax Act, Value Added Tax (VAT) Act, Social Security Contribution Levy (SSCL) Act, and the Stamp Duty Act, as well as international taxation.

It is our considered view that our students are well suited for internship placements within the Inland Revenue Department, as they possess a sound foundational knowledge of taxation and are adequately prepared to undertake assigned responsibilities.

Awareness Session for University Students

During the year, CITSL placed significant emphasis on public awareness, in line with the objectives set out in Principal Act No. 21 of 2000. The Institute organized a series of tax awareness programmes and initiated discussions with leading universities, including the University of Sri Jayewardenepura, the University of Kelaniya, the University of Peradeniya, and the University of Ruhuna. These initiatives were undertaken with the aim of increasing student enrolment and enhancing awareness of taxation among university students.

School Outreach Programme

The Institute, with a view to engaging Advanced Level (A/L) students particularly those in the commerce stream and initiating tax awareness in schools to promote tax education and support the Government's efforts to enhance tax compliance. The programme aims to raise awareness of the importance of tax education, foster a stronger tax culture for the future, and broaden the national tax base.

The programme will be conducted with the support of CITSL members who are engaged in tax lecturing and possess expertise in public speaking and presentation, with a view to providing recognition for their professional contributions. School Outreach Programme

The Institute, with a view to engaging Advanced Level (A/L) students particularly those in the commerce stream and initiating tax awareness in schools to promote tax education and support the Government's efforts to enhance tax compliance. The programme aims to raise awareness of the importance of tax education, foster a stronger tax culture for the future, and broaden the national tax base.

The programme will be conducted with the support of CITSL members who are engaged in tax lecturing and possess expertise in public speaking and presentation, with a view to providing recognition for their professional contributions.

In addition, the programme seeks to increase student enrolment in taxation-related studies following A/L examinations and to contribute to reducing unemployment by preparing a skilled pool of tax professionals. This initiative aligns with the Government's efforts to improve tax compliance, thereby creating a growing demand for qualified tax consultants in the future. Furthermore, the programme is intended to educate individuals on the accurate calculation of their tax liabilities, timely payment of taxes, and the development of a compliance culture comparable to that of developed countries.

Motivational Speech for Students

In addition, the Institute maintained direct engagement with students through in-person forums, thereby affording them adequate opportunity to raise and address their queries and concerns in an effective manner. We introduced a motivational speech at the commencement of each new batch, wherein a member of the CITSL is invited to present his or her success story, with the objective of reducing dropout rates during the course. The speaker further explains the importance of practicing taxation and highlights the opportunities available in the market in light of the Government's fiscal policy plans. Such initiatives have materially contributed to enhancing the attractiveness of the students in tax profession, promoting it in a positive and forward-looking manner, particularly within an increasingly technology-driven and dynamically evolving operating environment with AI.

This marks an important step towards fostering a strong tax culture in the country, laying the foundation for the development of a more informed and compliant future generation. Accordingly, with a strong focus on students, the Institute undertook a series of engagement initiatives, including the implementation of tax awareness campaigns across universities.



Examinations and Academic Activities

Establishment of an Examination Paper Marking Panel, an Examination Board, and a Panel of Paper Moderators to Ensure Proper Evaluation and Academic Standards

One of the key highlights of the year under review was the completion of the examination cycles under the new syllabus framework, which is equivalent to a bachelor's degree comprising 120 credits. This syllabus was introduced in prior years and formally completed during the year under review following extensive consultations with relevant subject lecturers was implemented through a structured academic delivery process.



Accordingly, a Paper Marking Panel was appointed from among the membership following an open invitation extended to all members, with the objective of ensuring transparency in the examination process, facilitating the timely release of results and fostering confidence in the integrity of the examination system. In addition, An Examination Board was established to provide overall governance and guidance for the examination process, including oversight of paper setting, moderation, review, and the Paper Marking Panel. The Council resolved to appoint members to all positions, except for two key roles, namely the Chief of the Examination Board, who is an experienced academic attached to a university, and the officer responsible for paper moderation, who is an officer of the Inland Revenue Department engaged in tax policy and possessing sound technical expertise across all areas of taxation, in order to ensure the smooth and effective functioning of the process.



As a result, the prior practice whereby paper setting, moderation, and marking were undertaken by a single individual was replaced with a more robust, transparent, and standardized system. Under the revised framework, two paper moderators have been duly appointed to strengthen academic integrity and enhance quality assurance in the examination process.



Scholarships and Awards

Scholarship Awards for Top Island Rank A/L Students

Due to the significant changes introduced to the taxation policies of the Government of Sri Lanka since 2022, there has been a rapid increase in demand for qualified tax professionals. Accordingly, the Chartered Institute of Taxation of Sri Lanka (CITSL), as the statutory body for tax professionals, is committed to addressing this national demand.

In order to further enhance awareness among schools and promote the profession, the Institute has decided to offer scholarships to Advanced Level (A/L) students who achieve Island Rank positions from 1 to 10. These students will be granted full scholarships for the Application Level (Stage I).

This initiative is intended as part of a strategic effort to attract and enroll more talented students into the field of taxation, while ensuring that there is no financial cost to the Institute for enrolling students into ongoing classes.

Course on UAE Taxation (Corporate Income Tax and VAT)

The Institute initiated a programme in international taxation in recognition of the growing trend of audit and accounting firms operating through Business Process Outsourcing (BPO) arrangements and online platforms.

As an initial step, the Institute introduced taxation relating to the United Arab Emirates (UAE) , covering both Corporate Income Tax (CIT) and Value Added Tax (VAT), particularly in light of the recent introduction of taxation in the UAE. This initiative was undertaken to provide an opportunity for members and interested practitioners to engage in consultancy services relating to UAE taxation from Sri Lanka and to earn foreign currency.

In furtherance of this objective, the Institute commenced a three-month course conducted by professionals possessing expert knowledge in UAE taxation. The programmes covering Corporate Tax and VAT were successfully conducted and received a positive response.

Step Into the Chartered Tax Adviser (CTA) Qualification in Australia

The Institute did not limit its scope to the UAE and subsequently expand its international taxation initiatives to include Australia. This decision was based on the fact that a significant number of BPO operations in Sri Lanka already provide tax consultancy services to Australian clients, and that there exists considerable potential to attract further Australian clientele, thereby enabling the earning of foreign currency and contributing to the economy of Sri Lanka.

In addition, this initiative is intended to benefit students who plan to migrate to Australia for higher education. As many such students engage in part-time employment to meet their day-to-day expenses, the opportunity to follow this course at a comparatively lower cost in Sri Lanka will enable them, upon migration, to seek employment in tax firms and earn income in a professional capacity.

Furthermore, this pathway offers long-term professional development opportunities. Students who commence their studies locally may, if they so desire, pursue the Chartered Tax Adviser (CTA) qualification in Australia and thereby establish a career in taxation, a field in which Australia offers significant opportunities.









CELEBRATING KNOWLEDGE GROWTH



















CONNECTIONS TOGETHER











ANNUAL REPORT

2025/26

FINANCIAL REVIEW FOR THE YEAR

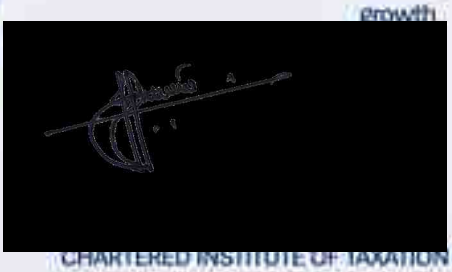


Strength in numbers.
Transparency in reporting.
Sustainability in growth.



FINANCIAL PERFORMANCE | ACCOUNTABILITY & TRANSPARENCY | SUSTAINABLE STEWARDSHIP | MEMBER VALUE

Our strong financial performance reflectsthe trust placed in us by our members and stakeholders.Through prudent management, sound governance, and strategic inwestment,we have continued to build a solid foundation for long-term sustainability and growth.



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

Financial Performance Review - 2025/26

Sri Lanka's tax education landscape is undergoing a significant transformation driven by comprehensive fiscal reforms, economic challenges, and evolving international compliance standards. The focus has shifted from basic tax filing practices to holistic tax advisory services that emphasize transparency, economic understanding, and ethical conduct, supporting the country's objective of achieving revenue-based fiscal consolidation.

Improving education and employment-oriented training remains one of the most important policy measures to reduce structural unemployment. It is therefore imperative for both the public and private sectors to take proactive steps in guiding the younger generation toward productive and sustainable career paths.

As the premier institution dedicated to developing tax professionals in Sri Lanka, the Chartered Institute of Taxation of Sri Lanka (CITSL) has also embraced this transformation. By adapting to modern educational requirements and expanding its professional development initiatives, the Institute has demonstrated encouraging progress, which is reflected in its financial performance for the year 2025/2026.

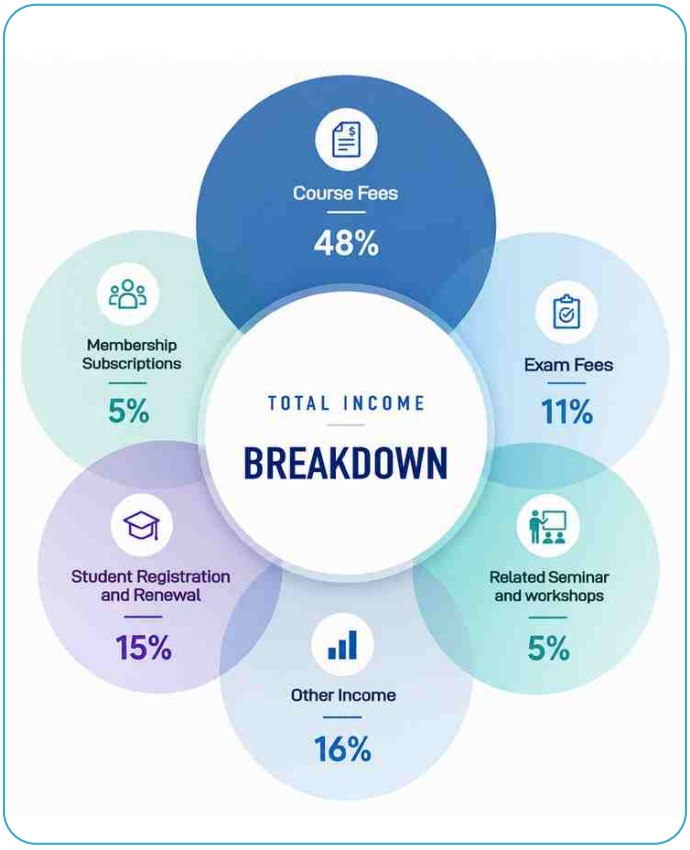
During the year under review, direct income increased by 35% year-on-year to Rs. 46.7 million in 2026 from Rs. 34.6 million in 2025. This growth was primarily driven by increased revenue from course fees, newly introduced revenue streams, and the successful launch of new programs, including:

- Certificate Course in UAE Corporate Taxation
- Certificate Courses in Practical Application of Income Tax and VAT (English and Sinhala Medium)
- Timely organized seminars, webinars, and workshops

Despite this significant growth in income, direct expenses increased by only 22%, rising to Rs. 7.7 million in 2026 from Rs. 6.3 million in 2025. The increase was mainly attributable to higher seminar and workshop expenses, certificate printing costs, and a moderate increase in lecturer fees.

As direct income grew at a faster rate than direct expenses, gross profit increased by 38% to Rs. 39.0 million in 2026 from Rs. 28.3 million in 2025.

The Institute's financial position strengthened considerably during the year, with consolidated profit increasing by 327% to Rs. 20.5 million compared to Rs. 4.8 million in the previous year. Furthermore, despite fluctuations in market interest rates, fixed deposit interest income increased by 86% to Rs. 6.9 million in 2026 from Rs. 3.7 million in 2025, mainly due to additional investments in fixed deposits during the year.



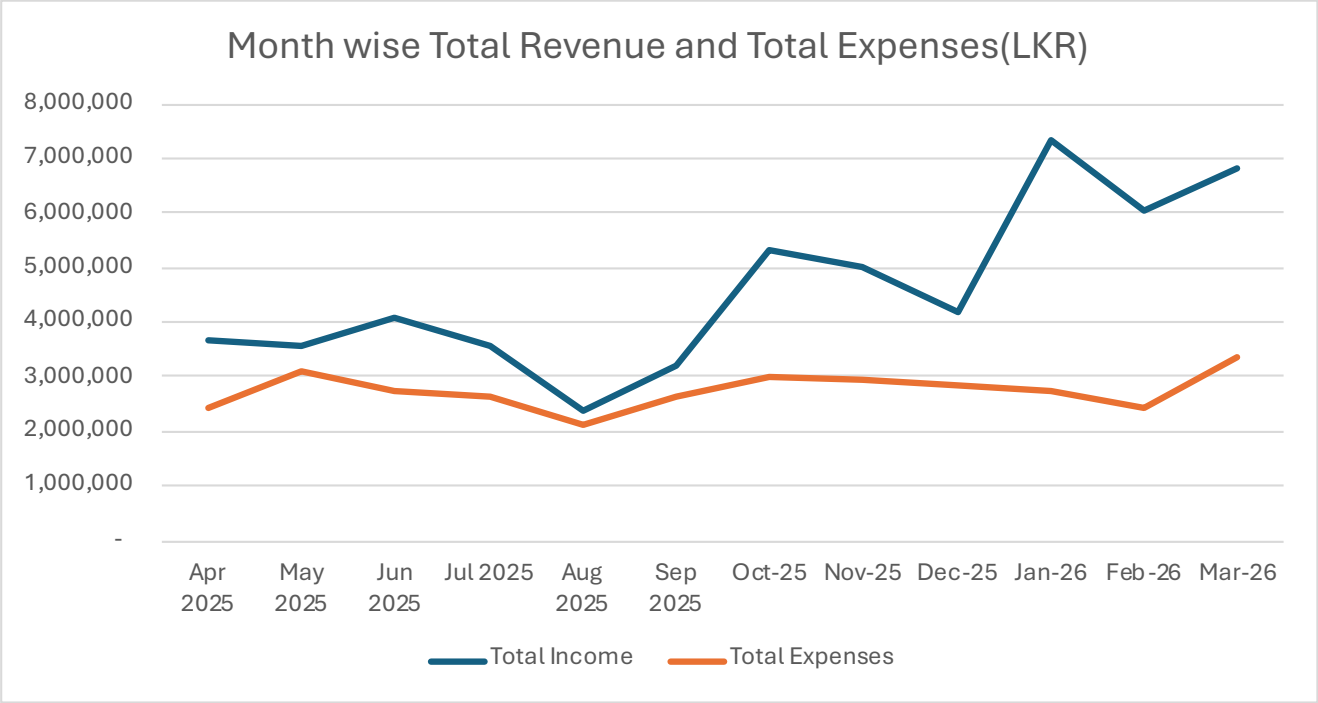
Composition of the Total Annual Income

Total operating expenses decreased by 15% compared with 2025. It should be noted that the previous year's expenses included a write-off of course fee receivables amounting to Rs. 4.0 million and expenses of Rs. 3.5 million relating to the Institute's launching ceremony. Excluding these one-off expenses, the year-on-year comparison presents a more balanced view of operational expenditure.

Selling and distribution expenses increased during the year due to higher salary and salary-related costs, increased building rent, professional fees associated with the building rental agreement, and higher staff travelling and transportation expenses.

Financial and related expenses increased by 55% to Rs. 591,000 in 2026 from Rs. 380,000 in 2025. This increase was mainly attributable to higher payment gateway merchant fees arising from the increased volume of transactions processed during the year.

As a result of the Institute's focused efforts and prudent financial management, we were able to achieve a surplus after tax of Rs. 18.1 million for the financial year 2025/2026, reflecting the Institute's continued growth, financial resilience, and commitment to excellence.



Five year summary of Financial Information

	2025/26	2024/25	2023/24	2022/23	2021/22
Direct Income	46,781,158	34,682,192	21,224,686	15,700,625	18,762,619
Gross Profit	39,047,353	28,338,575	16,091,068	11,404,375	14,397,669
Interest & Other Income	8,717,538	8,367,162	9,984,907	8,594,327	3,110,197
Surplus/(Deficit) after Tax	18,102,478	4,507,549	4,284,611	2,703,485	2,831,951
Net Cash Flow from Operation	8,355,602	4,622,073	(1,693,253)	(7,100,566)	76,295
Member Subscription Fee	2,828,000	2,093,000	2,036,000	879,500	822,500
Fixed deosits + NDB wealth (including Interest Receivable)	99,427,966	81,605,987	69,363,377	69,778,723	64,708,395
Membership Subscription Receivable	3,394,100	2,885,775	1,412,755	1,211,800	1,211,800
Cash & Bank	5,546,035	1,586,622	6,963,810	1,884,656	1,578,921

Key Highlights for the Year 2025/26

Rs.55.4 Mn
Total Income

35%
Turnover Growth

20.5%
Net Surplus

327%
Surplus growth

Rs.105 Mn
Financial/Investment Strenght

ANNUAL REPORT
2025/26

AUDITED FINANCIAL STATEMENTS FOR THE YEAR



Consolidated Financial Statements for the year ended 31 March 2025 together with the Independent Auditor's Report.

B.R.DE SILVA & CO.
Chartered Accountants

A member of Nexia International

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of the Chartered Institute of Taxation of Sri Lanka *("the Institute")*, which comprise the Statement of Financial Position as at 31st March 2026 and the Statement of Comprehensive Income, Statement of Changes in Fund and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including Material Accounting Policy Information.

In our opinion, the accompanying Financial Statements of the Institute give a true and fair view of the financial position of the Institute as at 31st March 2026, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities *(SLFRS for SMEs)*.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Governing Council and Those Charged with Governance for the Financial Statements

The Governing Council is responsible for the preparation of Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for Small and Medium-sized Entities *(SLFRS for SMEs)* and for such internal control as the Governing Council determines is necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, the Governing Council is responsible for assessing the Institute's ability to continue as a Going Concern, disclosing, as applicable, matters related to the Going Concern and using the Going Concern basis of accounting unless the Governing Council either intends to liquidate the Institute or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.



Partners : S.S.C.De Silva FCA, FCMA (UK),CGMA, L.C.Pinnaduwa FCA, C.L.S.Widanamaduwage FCA,
S.M.S.S.Jayatilaka MBA, FCA, D.S.De Silva LLB, Attorney - at - Law ACA, ACMA(UK),CGMA

22/24,
Vijaya Kumaratunga Mw.,
Colombo 03,
Sri Lanka.
Telephone : +94112 513 420 - 22
+94114 510 268
Fax : +94 114 512 404

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a reasonable assurance on whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is an assurance of a high level, but not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of the Auditor's Responsibilities for the Audit of the Financial Statements is located at Sri Lanka Accounting and Auditing website at: http://slaasc.com/auditing/auditorsresponsibility.php. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

As required by Section 7 (7) of the Sri Lanka Institute of Taxation (Incorporation) Act No. 21 of 2000, we have obtained all the information and explanations that were required for the audit and, as far as it appears from our examination, proper accounting records have been kept by the Institute.

B. R. DE SILVA & CO.
Chartered Accountants
Colombo 05.

Date 19/06/2026

LW/ST/IS

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH,

	Note	2026 Rs. Cts.	2025 Rs. Cts.
Direct Income	(03)	46,781,156.57	34,682,192.13
Direct Expenses	(04)	(7,733,803.88)	(6,343,616.93)
		39,047,352.69	28,338,575.20
Other Income	(05)	8,717,537.79	8,367,162.05
		47,764,890.48	36,705,737.25
Administration Expenses	(06)	(25,893,836.71)	(27,199,033.63)
Selling and Distribution Expenses	(07)	(763,496.14)	(4,335,449.24)
Finance and Other Expenses	(08)	(591,494.69)	(380,442.60)
		(27,248,827.54)	(31,914,925.47)
Surplus / (Deficit) before Taxation		20,516,062.94	4,790,811.78
Income Tax for the Year	(09)	(2,413,585.27)	(283,262.65)
Surplus / (Deficit) for the Year		18,102,477.67	4,507,549.13
Allocation of Surplus for the Year			
Allocation to Accumulated Fund		18,102,477.67	4,507,549.13
Allocation to Hugh Molagoda Fund		-	-
		18,102,477.67	4,507,549.13

The Material Accounting Policy Information and Notes to the financial Statements from Page (05) to (21) form an integral part of these financial Statements.



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH,

	Note	2026 Rs. Cts.	2025 Rs. Cts.
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	(10)	5,052,694.39	7,048,693.97
Intangible Assets	(11)	1,260,800.00	1,543,400.00
Total Non-Current Assets		6,313,494.39	8,592,093.97
Current Assets			
Inventories	(12)	1,047,997.68	584,361.98
Members' Subscriptions Receivable	(13)	3,394,100.00	2,885,775.00
Financial Assets	(14)	92,782,626.14	81,536,884.63
Interest Income Receivable	(15)	6,645,339.98	69,101.62
Course Fee Receivable	(16)	3,982,606.84	2,365,411.00
Deposits, Advances & Pre-payments	(17)	4,329,833.10	1,197,941.67
Income Tax Recoverable	(23)	-	1,027,229.77
Cash & Cash Equivalents	(18)	5,668,033.50	1,600,714.17
Total Current Assets		117,850,537.24	91,267,419.84
Total Assets		**124,164,031.63**	**99,859,513.81**
FUNDS & LIABILITIES			
Funds			
Accumulated Fund		110,262,242.08	92,159,764.41
Hugh Molagoda Memorial Fund	(19)	70,386.07	70,386.07
Total Funds		110,332,628.15	92,230,150.48
Non-Current Liabilities			
Deferred Tax Liability	(24)	301,205.65	422,484.87
Total Non-Current Liabilities		301,205.65	422,484.87
Current Liabilities			
Deferred Income & Deposits	(20)	10,493,554.83	5,863,202.40
Income Tax Payable	(23)	1,412,718.50	-
Accrued Expenses	(21)	1,501,925.55	1,329,583.50
Bank Overdrafts	(22)	121,998.95	14,092.55
Total Current Liabilities		13,530,197.83	7,206,878.45
Total Funds and Liabilities		**124,164,031.63**	**99,859,513.81**

We certify that the above Statement of Financial Position, to the best of our belief, contains a true account of the Funds, Liabilities and Assets of the Institute.

.....
Mr. P. R. C Gamage
President

.....
Mr. I. W. Shantha Kumara
Treasurer

Date 19/06/2026

The Material Accounting Policy Information and Notes to the financial Statements from Page (05) to (21) form an integral part of these financial Statements.

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF CHANGES IN FUND
FOR THE YEAR ENDED 31ST MARCH 2026,

	Accumulated Fund Rs. Cts.
Balance as at 31st March 2024	87,652,215.28
Surplus for the Year	4,507,549.13
Balance as at 31st March 2025	92,159,764.41
Surplus for the Year	18,102,477.67
Balance as at 31st March 2026	110,262,242.08

Figures in brackets indicate deductions.

The Material Accounting Policy Information and Notes to the financial Statements from Page (05) to (21) form an integral part of these financial Statements.

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH,

	Note	2026 Rs.	2025 Rs.
Cash Flow from Operating Activities			
Surplus/ (Deficit) for the Year		20,516,063	4,790,812
Adjustments for			
Depreciation	(10.2)	2,455,300	2,508,406
Amortization	(12.2)	282,600.00	282,600
Course Fee Receivable Written-Off		-	4,004,455
Interest Income on Fixed Deposits		(7,308,852)	(4,093,783)
Fair Value Gain on Investment in Unit Trust		-	(1,091,695)
Finance Costs	(08)	591,495	380,443
Profit or Loss on Asset Disposal	(05)	-	(3,000)
Operating Profit before Working Capital Changes		16,536,606	6,778,237
Changes in Working Capital			
(Increase) / Decrease in Inventories		(463,636)	288,985
(Increase) / Decrease in Members' Subscriptions & Other Receivables		(8,701,760)	(2,461,272)
(Increase) / Decrease in Deposits & Pre-payments		(3,131,891)	1,340,838
Increase / (Decrease) in Deferred Income & Deposits		4,630,352	(395,727)
Increase / (Decrease) in Accrued Expenses		172,342	(248,439)
Cash Generated from Operations		9,042,013	5,302,623
Finance Cost Paid	(08)	(591,495)	(380,443)
Current Tax Paid	(23)	(56,261)	-
WHT Paid		(38,655)	(300,108)
Net Cash Flow from/ (used in) Operating Activities		8,355,602	4,622,073
Cash Flow From Investing Activities			
Acquisition of Property, Plant & Equipment	(10.1)	(459,300)	(1,987,089)
Proceeds from Disposal of Property, Plant & Equipment	(5)	-	3,000
Net Change in Capital Work-in-Progress		-	(956,000)
Interest Received from Savings Account		343,060	373,865
Interest Received from Fixed Deposits		6,965,792	6,044,152
New Investments in Fixed Deposits		(11,245,742)	(63,976,000)
Proceeds from Withdrawal of Fixed Deposits		-	61,501,810
Investment in Unit Trust		-	(11,000,000)
Net Cash Flow from/ (used in) Investing Activities		(4,396,190)	(9,996,262)
Net Increase / (Decrease) in Cash & Cash Equivalents		3,959,412	(5,374,189)
Cash & Cash Equivalents at the Beginning of the Year		1,586,622	6,960,810
Cash & Cash Equivalents at the End of the Year		5,546,034	1,586,622
Note A			
Analysis of Cash & Cash Equivalents	(19) & (23)		
Commercial Bank - Savings Account		286	1,300,724
Commercial Bank - Current Account		100,000	125,000
People's Bank- Current Account		75,462	19,500
People's Bank- Savings Account		113,612	48,838
Bank of Ceylon Savings Account		3,402	3,742
Bank of Ceylon Current Account		250,000	28,471
Bank of Ceylon Savings Account		88,287	7,245
Bank of Ceylon Credit Card		(121,999)	(14,093)
Sampath Bank - Wellawatte Branch		47,752	49,232
Money Market Account - 2000744243		4,978,649	-
Cash in Hand		10,603	17,961
		5,546,034	1,586,622

The Material Accounting Policy Information and Notes to the financial Statements from Page (05) to (21) form an integral part of these financial Statements.

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

1. ENTITY'S INFORMATION

1.1. Reporting Entity

Chartered Institute of Taxation of Sri Lanka *("the Institute")* has been established by the Chartered Institute of Taxation of Sri Lanka (Incorporation) Act No.21 of 2000 as amended by the Act No. 13 of 2023. The registered Principal Office of the Institute is located at No. 484 Havelock Road, Colombo 06.

1.2. Objectives of the Institute

Chartered Institute of Taxation of Sri Lanka has been established for the following objectives.

- To create awareness on the field of taxation among the members of the public and to promote and advance the study of the law and practice of taxation and the principles of economic and political science in relation to taxation and public finance.
- To hold examinations and grant certificates to persons who have satisfactorily accomplished the examinations (to the Council of the Institute) as to their knowledge and ability upon the subject of taxation.
- To formulate a code of conduct to be observed by the members of the institute for the purpose of regulating the professional conduct of its members.
- To promote and co-ordinate the dissemination of tax awareness and knowledge with the respective revenue authorities of Sri Lanka.
- To facilitate the exchange of information and views on taxation and the creation of a well informed public opinion on the subject.
- To provide opportunities for the acquisition and dissemination of useful information concerning taxation in Sri Lanka and other countries.
- To make recommendations to the government for the improvement or simplification of the tax law and practice and to highlight anomalies in laws relating to the taxation and to comment on proposed changes in the laws.

1.3. Principal Activities and Nature of Operations

The Institute is an educational and professional body for taxation in Sri Lanka, established by an Act of Parliament. Its principal activities are focused on promoting and advancing the theory and practice of taxation, including tax policy and administration.

The Institute is engaged in the enrollment, education, and training of students and members, and conducts examinations and certification programs leading to the award of professional qualifications in taxation.

Contd...(06)

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

Principal Activities and Nature of Operations (Cont'd)

The Institute functions as the sole recognized tax education body in Sri Lanka and contributes to the Government in the development of tax policy and practice, while promoting tax simplification, enhancing tax awareness, and strengthening compliance frameworks in collaboration with relevant regulatory authorities.

The Institute promotes and upholds high standards of professional conduct among its members and facilitates continuous professional development through seminars, workshops, and technical forums.

It also regulates and supervises the education and professional training of its students and members, undertakes research and publications, and contributes to public policy dialogue on taxation matters.

In addition, the Institute carries out activities in the public interest to enhance tax awareness and compliance and collaborates with local and international stakeholders to promote best practices in taxation.

1.4. **Responsibilities for preparation and presentation of the Financial Statements**

The Council presents herewith the audited financial statements for the year ended 31st March 2026. The Governing Council is responsible for preparing and presenting of those financial statements.

1.5. **Date of authorization for issue**

The financial statements of the Chartered Institute of Taxation of Sri Lanka for the year ended 31st March 2026 were authorized for issue by the Council on 19th June 2026.

2. ACCOUNTING POLICIES AND BASIS OF PREPARATION

2.1. **Statement of Compliance**

These Financial statements have been prepared in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) by the Chartered Institute of Taxation of Sri Lanka.

These financial statements of the Institute comprise the statement of comprehensive income, statement of financial position, statement of changes in reserves and statement of cash flows together with the notes to the financial statements and accounting policies *(the financial statements)*.

These financial statements are presented in Sri Lanka Rupees (Rs.) and all financial information presented in Sri Lanka Rupees has been rounded to the nearest rupee.

Contd...(07)

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

2.2. **Basis of Measurements**

The financial statements have been prepared on the historical cost basis, except otherwise mentioned.

2.3. **Comparative Information**

The accounting policies have been consistently applied by the Institute and are consistent with those used in the previous year.

2.4. **Going Concern**

The Governing Council is satisfied for the Institute has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting of these financial statements.

2.5. **Use of Estimates and Judgments**

The preparation of the financial statements of the Institute in conformity with the Sri Lanka Accounting Standards *(SLFRS for SMEs)* requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses.

2.6. **Summary of Significant Accounting Policies**

The accounting policies set out below, have been applied consistently for all periods presented in the financial statements of the Institution.

2.6.1. **Property, Plant & Equipment**

Cost

Property, plant and equipment is stated at cost or fair value less accumulated depreciation and any accumulated impairment in value. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. All items of property, plant and equipment are initially recorded at cost.

Depreciation

Provision for depreciation is calculated by using the straight line method on the cost of valuation of all property, plant and equipment in order to write- off such amounts over the estimated useful economic lives of such assets. The estimated useful lives of assets are as follows;

Contd...(08)

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

Property, Plant & Equipment – Cont'd

Type of Asset	Years
Office Equipment	04
Other Equipment	05
Furniture & Fittings	10
Computer Equipment	05
Generator	04
Motor Vehicle	05

The useful life and residual value of assets are reviewed, and adjusted if required, at the end of each financial year.

2.6.2. Intangible Assets

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with the section 18 of SLFRS for SMEs. Accordingly, these assets are stated in the Balance Sheet at cost less accumulated amortization.

The intangible assets are amortized over the useful economic life. The amortization expense on the intangible assets with the finite lives is recognized in the income statement. The estimated useful lives of intangible assets are as follows;

Type of Asset	Years
Corporate video	05
Website	10

2.6.3. Cash & Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risks of changes in value.



Contd..(09)

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

2.6.4. Financial Assets

Financial assets within the scope of LKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition and the classification depends on the purpose for which the financial assets were acquired. All financial assets are recognized initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs and subsequent measurement depend on their classification.

However, at the reporting date there were no financial assets at fair value through profit or loss and Available for Sale Financial Instruments.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Institute has the positive intention and ability to hold them to maturity. Held-to maturity investments are measured at cost.
Investments in short-term government securities and in fixed deposits have been classified under HTM investments.

2.6.5. Liabilities and Provisions

Liabilities are recognized in the balance sheet when there is a present obligation arising from a past event, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the suppliers or within one year of the balance sheet date are treated as current liabilities in the balance sheet. Liabilities payable after one year from the balance sheet date are treated as non-current liabilities in the balance sheet.

A provision is recognized in the balance sheet when the Institute has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits for which a reliable estimate could be made is required to settle the obligation.

Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective Statutes and Regulations.

S. R. DE SILVA & CO. Chartered Accountants

Contd...(10)

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2026

2.7. Statement of Comprehensive Income

2.7.1. Income Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the revenue and associated costs incurred or to be incurred can be reliably measured.

(a) General Income

Enrolment fees from members and registration fees from students, fees for examinations and seminars are recognized as revenue on a cash basis. Course fees and members' subscriptions are recognized on an accrual basis.

(b) Interest Income on Treasury Bills, Fixed Deposits and Savings Accounts

Gross interest income is recognized on an accrual basis.

(c) Other Income

Other income is recognized on an accrual basis.

2.7.2. Expenditure Recognition

All expenditure incurred in the running of the Institute and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the surplus for the year.

All expenditure incurred in the acquisition, extension or improvement of assets of a permanent nature in order to carry on or increase the earning capacity of the Institute had been treated as capital expenditure.

2.7.3. Taxation

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act, No.24 of 2017 and subsequent amendments there to.

The tax liability is computed at the rate of 14% on taxable income, in line with the Principal Activities and Nature of Operations mentioned in the note 1.3.

2.8. Statement Cash flows

Statement of cash flows has been prepared using the indirect method.



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

		2026 Rs. Cts.	2025 Rs. Cts.
(03)	DIRECT INCOME		
	Seminar & Workshop Income	2,987,100.00	1,552,800.00
	Associate Members' Subscriptions	1,079,000.00	932,000.00
	Fellow Members' Subscriptions	1,749,000.00	1,161,000.00
	Membership Entrance Fees	45,000.00	-
	Student Renewal Fees	894,600.00	473,500.00
	Course Registration Fees	1,179,000.00	545,000.00
	Examination Fees - Analyst Level	4,464,800.00	3,289,300.00
	Course Fee - Application Level	2,608,000.00	2,407,111.00
	Course Fee - Analyst Level - 1	9,592,259.00	7,495,657.00
	Course Fee - Analyst Level 2	3,624,950.02	5,972,734.00
	Course Fee - Advisory Level	2,465,520.00	3,955,177.00
	Exam Fee Application Level	570,800.00	184,050.00
	Transfer Pricing Course	-	1,177,200.00
	CTP Programme	-	875,000.00
	Certificate Course in Taxation	-	1,217,667.00
	Application Level Sinhala 2025 B1	316,800.00	211,200.00
	Analyst Level 1 2025 B1	4,385,944.20	2,923,962.80
	Certificate Course in Taxation 2025 B1	148,166.67	296,333.33
	Tax Inside Learner Income	-	12,500.00
	Revision fee for Repeat Analyst Level 2 Examination	125,000.00	-
	Revision Fee for Repeat Advisory Level Examination	225,000.00	-
	Certificate Course in UAE Corporate Taxation	1,224,999.99	-
	Certificate Course in Practical Application of Income Tax & Vat English Medium	792,500.01	-
	Certificate Course in Australian Taxation	286,666.67	-
	Certificate Course in UAE Value Added Tax	175,000.00	-
	Subject wise Course Income	844,000.00	-
	Conceptual Framework of Tax Adjudication - Training Session	35,000.00	-
	Certificate Course in Practical Application of Income Tax & Vat Sinhala Medium	687,500.01	-
	Certificate Course in Practical Application of Income Tax & Vat Tamil Medium	255,000.00	-
	Examination Fees - Advisory Level	814,500.00	-
	penalty fee and Abundance Charges	224,950.00	-
	Level Exemption Fee	4,664,100.00	-
	Batch Transfer Fee	39,000.00	-
	Rejoining Fee	277,000.00	-
		46,781,156.57	34,682,192.13

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

			2026 Rs. Cts.	2025 Rs. Cts.
(04)	DIRECT EXPENSES			
	Lecture Fees		4,646,000.00	4,236,000.00
	Seminar & Workshop Expenses		838,190.00	396,765.00
	Marking Examiners Fees		203,050.00	10,425.00
	Invigilators' Fee		171,000.00	114,500.00
	Viva Expenses		76,900.00	103,440.00
	Paper settings & Moderator fee		319,125.00	371,850.00
	Course Related Expenses		593,881.28	887,970.93
	Examination Expenses		572,928.00	222,666.00
	Printing of Certificates		312,729.60	-
			7,733,803.88	6,343,616.93
(05)	OTHER INCOME			
	Interest Income	Note (05.1)	7,308,851.92	4,093,782.58
	Fair Value Gain on Unit Trust Investment		923,660.87	1,091,695.47
	Convocation Income		25,000.00	57,000.00
	Certificate Awarding Ceremony Income		-	25,000.00
	Publication Sales		300.00	8,800.00
	Profit on Disposal of Fixed Assets		-	3,000.00
	IR Act Revenue		-	15,200.00
	Avrudu Day Celebration		-	20,000.00
	Launching Ceremony Income		-	2,705,000.00
	Members Day Income		427,625.00	270,000.00
	Sundry Income		32,100.00	77,684.00
			8,717,537.79	8,367,162.05
(5.1)	*INTEREST INCOME*			
	Savings Account		343,060.40	372,907.10
	Fixed Deposits		6,965,791.52	3,720,875.48
			7,308,851.92	4,093,782.58

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

			2026 Rs. Cts.	2025 Rs. Cts.
(06)	ADMINISTRATION EXPENSES			
	AGM Expenses		397,116.00	347,967.37
	Audit Fees		182,907.36	169,460.89
	Course Fee Receivable Written Off	Note (06.1)	-	4,004,455.00
	Cleaning Charges		309,800.00	213,100.00
	Council Meeting Expenses		78,263.00	14,230.00
	Committee meeting Expenses		27,234.00	39,473.00
	Casual Wages		189,975.00	871,803.00
	Depreciation		2,455,299.58	2,508,406.12
	Amortization		282,600.00	282,600.00
	Electricity Bills		1,249,725.80	1,120,512.07
	Employees' Provident Fund		787,484.84	569,054.87
	Employees' Trust Fund		196,871.21	142,263.22
	Equipment Maintenance		676,772.18	461,367.89
	Sponsorship payments - OPA		58,000.00	137,380.00
	ETF Surcharge		1,248.60	6,186.00
	Staff Annual Bonus		254,950.00	276,883.00
	Insurance		46,421.58	38,383.37
	Members' Day Expenses		911,185.00	808,236.85
	Members' Sports Event Expenses		15,000.00	-
	Newspaper Bills		-	4,000.00
	Office Maintenance		454,729.69	257,497.74
	Printing & Stationery		304,754.50	302,689.70
	Rents		6,736,333.30	6,304,000.06
	Salaries		6,562,373.67	4,851,130.28
	Staff Welfare		222,172.00	114,412.76
	Subscriptions		250,703.44	179,812.07
	Professional fees		324,900.00	-
	Accounting Charges		81,000.00	480,000.00
	Telephone Bills		316,904.42	352,622.32
	IR Act - COS		3,011.52	-
	Travelling & Transport		727,404.01	515,434.92
	Water Bills		183,490.30	117,475.20
	Fuel for Generator		-	5,720.00
	Publication Cost		14,499.96	1,505.76
	Postage		2,420.00	-
	Attendance Incentives - Office Assistant		175,750.00	60,000.00
	Staff Overtime - Office Assistant		52,500.00	12,900.00
	Software maintenance		520,713.17	500,866.19
	Credit Card Charges & Stamp Duty CC		69,585.66	76,773.90
	Staff Training Fees		-	10,000.00
	Logo Registration		20,350.00	-
	Network and Cabling Charges		-	114,880.00
	Tie Expenses		19,680.00	17,653.33

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

		2026 Rs. Cts.	2025 Rs. Cts.
(06)	ADMINISTRATION EXPENSES (Cont'd)		
	T-shirt Expenses	5,791.92	22,710.00
	Event and Functions Expenses	22,945.00	24,000.00
	Exhibition Expense	680,285.00	-
	New Year Celebration	-	389,601.80
	Exhibition Expense	-	390,112.00
	Member's Welfare	20,685.00	47,980.00
	OPA POSON Program	-	21,400.00
	VTA Registration and Registration Renewal Fee	-	3,000.00
	Tea/Coffee Machine Expenses	-	3,830.00
	Sundry Expenses	-	5,262.95
		25,893,836.71	27,199,033.63
(06.1)	COURSE FEE RECEIVABLE WRITTEN OFF		
	UP TO 31.03.2023	-	2,485,055.00
	Year 2023/24	-	1,519,400.00
		-	4,004,455.00



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH,

		2026 Rs. Cts.	2025 Rs. Cts.
(07)	**SALES AND PROMOTIONAL EXPENSES**		
	Advertising	537,996.14	521,356.73
	Web Maintenance Expenses	32,000.00	12,500.00
	Other Promotional Activities	193,500.00	90,100.00
	Courier Charges	-	4,910.00
	Launching Ceremony	-	3,565,210.51
	Rates & Taxes	-	141,372.00
		763,496.14	4,335,449.24
(08)	**FINANCIAL AND OTHER EXPENSES**		
	Bank Charges	127,011.36	101,140.53
	Commission on Card Payments	464,483.33	279,302.07
		591,494.69	380,442.60
(09)	Current Tax Expense (Note 9.1)	2,534,864.50	225,044.43
	Deferred Tax	(121,279.22)	58,218.21
		2,413,585.27	283,262.65

(9.1) **RECONCILIATION AGAINST TAXABLE PROFIT AND SURPLUS FOR THE YEAR**

Surplus for the year before Income Tax	20,516,062.94	4,790,811.78
Aggregate Non Deductible Expenses for Tax	3,686,018.68	3,208,193.92
Aggregate Deductible Expenses for Tax	(13,061,698.16)	(10,115,420.95)
Assessable Income from Business	11,140,383.45	(2,116,415.25)
Income from Interest	6,965,791.52	3,720,875.48
Less : Losses claimed during the year	-	(2,113,415.25)
Taxable Income	18,106,174.98	1,607,460.24
Current Income Tax Expense		
Taxation	2,534,864.50	225,044.43

(9.2) Tax liability is computed at the rate of 14% on income liable to tax in line with the principal activities and nature of operations mentioned in note 1.3

B. R. DE SILVA & CO. Chartered Accountants

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2026,

(10) PROPERTY, PLANT & EQUIPMENT

(10.1) Gross Carrying Value

Description	At the beginning of the year	Additions During the year	Disposals During the year	At the end of the year
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Office Equipment	1,522,455.00	-	-	1,522,455.00
Other Equipment	10,837,269.86	145,500.00	-	10,982,769.86
Computer Equipment	2,043,050.00	53,800.00	-	2,096,850.00
Furniture & Fittings	6,160,476.11	260,000.00		6,420,476.11
Motor Vehicle	336,000.00	-	-	336,000.00
Total Value	**20,899,250.97**	**459,300.00**	**-**	**21,358,550.97**

(10.2) Accumulated Depreciation

(8,701,759.20)	At the beginning of the year	Charge for the year	Disposals/ Transfers	At the end of the year
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Office Equipment	1,210,600.00	110,996.75	-	1,321,596.75
Other Equipment	7,444,361.00	1,558,653.32	-	9,003,014.32
Computer Equipment	1,677,931.00	134,787.17	-	1,812,718.17
Furniture & Fittings	3,383,265.00	583,662.34	-	3,966,927.34
Motor Vehicle	134,400.00	67,200.00	-	201,600.00
Total Depreciation	**13,850,557.00**	**2,455,299.58**	**-**	**16,305,856.58**

(10.3) Carrying Values

	2026	2025
	Rs. Cts.	Rs. Cts.
Office Equipment	200,858.25	311,855.00
Other Equipment	1,979,755.54	3,392,908.86
Computer Equipment	284,131.83	365,119.00
Furniture & Fittings	2,453,548.77	2,777,211.11
Motor Vehicle	134,400.00	201,600.00
	5,052,694.39	**7,048,693.97**

(10.4) The cost of fully depreciated Property, Plant and Equipment which are still in use as at the reporting date was Rs. 1,045,988 /-



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH 2026,

(11) INTANGIBLE ASSTES

(11.1) Gross Carrying Value

Description	At the beginning of the year Rs. Cts.	Additions During the year Rs. Cts.	Transferred During the year Rs. Cts.	At the end of the year Rs. Cts.
Corporate Video	1,000,000.00	-	-	1,000,000.00
Website	826,000.00	-	-	826,000.00
	1,826,000.00	-	-	1,826,000.00

(11.2) Accumulated Amortization

Description	At the beginning of the year Rs. Cts.	Charge for the year Rs. Cts.	Disposals/ Transfers Rs. Cts.	At the end of the year Rs. Cts.
Corporate Video	200,000.00	200,000.00	-	400,000.00
Website	82,600.00	82,600.00	-	165,200.00
Total Depreciation	282,600.00	282,600.00	-	565,200.00

(11.3) Carrying Values

	2026 Rs. Cts.	2025 Rs. Cts.
Corporate Video	600,000.00	800,000.00
Website	660,800.00	743,400.00
	1,260,800.00	1,543,400.00



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH,

	2026 Rs. Cts.	2025 Rs. Cts.
(12) INVENTORIES		
VAT Consolidated Act	28,237.66	28,237.66
Stationery Items	497,960.90	90,274.00
Inland Revenue Act	7,277.89	10,540.32
T-shirts with Institute Logo	63,711.23	7,570.00
Lapel Pin	225,420.00	239,870.00
Tie	188,190.00	207,870.00
Back Pack	37,200.00	-
	1,047,997.68	584,361.98
(13) MEMBERS' SUBSCRIPTIONS RECEIVABLE		
Associate Members	1,767,800.00	1,457,800.00
Fellow Members	1,626,300.00	1,427,975.00
	3,394,100.00	2,885,775.00
(14) FINANCIAL ASSETS		
Investments in Fixed Deposits	79,767,269.80	69,445,189.16
Investment in NDB Wealth Management	13,015,356.34	12,091,695.47
	92,782,626.14	81,536,884.63
(15) INTEREST INCOME RECEIVABLE		
Interest Income Receivable on Fixed Deposits	6,645,339.98	69,101.62
	6,645,339.98	69,101.62
(16) COURSE FEE RECEIVABLE		
Course Fee Receivable	3,982,606.84	2,365,411.00
	3,982,606.84	2,365,411.00
(17) DEPOSITS, ADVANCES & PREPAYMENTS		
Rent Advance	3,066,666.68	-
Prepayments - Ceylinco General Insurance Limited	22,092.38	20,107.92
Cash Advance	1,324.00	1,324.00
Security Deposit on Office Rent	475,000.00	475,000.00
Prepayments - Elevator	-	242,759.75
Prepayments - Corporate Promotions Pvt Ltd	264,750.04	458,750.00
Advance for Land - Rajagiriya	500,000.00	-
	4,329,833.10	1,197,941.67
(18) CASH AND CASH EQUIVALENTS		
Commercial Bank - Savings Account (8580032064)	285.56	1,300,724.30
Commercial Bank -Current Account (1580006485)	100,000.00	125,000.00
People's Bank - Savings Account (337-2001100006039)	113,612.46	48,838.03
People's Bank - Current Account (337-1001300006039)	75,462.46	19,500.00
Bank of Ceylon - Savings Account (90187241)	3,401.52	3,742.07
Bank of Ceylon - Savings Account (0090651133)	88,287.39	7,245.47
Sampath Bank - Current Account (003660000401)	47,731.97	49,231.97
Bank of Ceylon - Current Account (83910511)	250,000.00	28,471.07
Money Market Account	4,978,648.88	-
Cash in Hand	10,603.26	17,961.26
	5,668,033.50	1,600,714.17

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31ST MARCH,

	2026 Rs. Cts.	2025 Rs. Cts.
(19) HUGH MOLAGODA FUND		
Balance as at 01st April 2025	70,386.07	69,427.83
Add: Interest for the Year	-	958.24
Less: Utilized during the year	-	-
Balance as at 31st March 2026	70,386.07	70,386.07
(20) DEFERRED INCOME AND DEPOSITS		
Membership Fees Received in Advance	339,100.00	333,600.00
Exam Fee Received in Advance	19,300.00	-
Un-Identified Deposits	192,741.53	516,091.53
Course Fee Received in Advance	22,900.00	162,600.00
Seminar and Worksop Fee Received in Advance	10,500.00	-
Deferred Income - Study Courses	973,333.32	4,850,910.87
Deferred Income - Application Level	345,000.00	-
Deferred Income - Analyst Level 1	2,680,000.00	-
Deferred Income - Analyst Level 2	1,699,999.98	-
Deferred Income - Advisory Level	3,492,680.00	-
Deferred Income - Students Renewal Fee	718,000.00	-
	10,493,554.83	5,863,202.40
(21) ACCRUED EXPENSES		
Staff Annual Bonus Payable	254,950.00	276,883.00
WHT Payable	-	11,700.00
Audit Fees	150,000.00	120,000.00
Accounts Payable	867,647.75	796,823.20
EPF Payable	199,285.13	107,849.92
ETF Payable	30,042.66	16,327.38
	1,501,925.54	1,329,583.50
(22) BANK OVERDRAFTS		
Bank of Ceylon Credit Card	121,998.95	14,092.55
	121,998.95	14,092.55
(23) CURRENT TAX LIABILITIES / (RECOVERABLE)		
Opening Balance as at 01st April,	(1,027,229.77)	(952,166.56)
Income Tax Provision for the Year	2,534,864.54	225,044.43
	1,507,634.78	(727,122.13)
Income Tax Paid During the Year	(56,261.00)	-
WHT Paid	(38,655.27)	(300,107.65)
Closing Balance as at 31st March,	1,412,718.50	(1,027,229.77)



CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026

		2026	2025
(24)	DEFERRED TAX (ASSET)/LIABILITIES	Rs. Cts.	Rs. Cts.
	Balance at the beginning of the Year	422,484.87	364,266.66
	Provision/(Reversal) for the Year	(121,279.22)	58,218.21
	Balance at the end of the Year	301,205.65	422,484.87

(24.1) *TEMPORARY DIFFEANCES AND CORRESPONDING TAX LIABILITY ARE AS FOLLOWS*

	Temporary Difference	Tax @ 14%
Property, Plant and Equipment	2,151,468.99	301,205.66
Intangible Asset	-	-
	2,151,468.99	301,205.66

(25) RELATED PARTY TRANSACTIONS

(25.1) *Identity of the Related Parties*

The institute holds a related party relationship with the key management personnel of the institute.

(25.2) *Transactions with Key Management Personnel*

According to the Section 33 - *"Related Party Disclosures"* of SLFRS for SMEs, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling of the activities of the entity.

The Institute considers its Governing Council as the Key Management Personnel of the Institute.

(25.3) *Related Party Transactions*

During the financial year, the Institute engaged the professional services of Council Member, Mahesh Ranawakarachchi, as a resource person for seminars and workshops organized by the Institute for the benefit of its students, members, and other participants. Professional fees paid during the year were as follows:

Programme	Professional Fees (Rs.)
Seminar on Submission of Statement of Estimated Tax (SET) Return	20,000
Workshop on Practical Application of VAT	35,000
	55,000

The above transactions were conducted in the ordinary course of the Institute's activities and amounted to Rs. 55,000 during the financial year under review.

B. R. DE SILVA & CO. CHARTERED ACCOUNTANTS

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2026

(26) CONTINGENT LIABILITIES

There were no significant Contingent Liabilities as at the reporting date that require adjustment to or disclosure in the Financial Statements, except as set out below.

(26.1) Pending Litigations

Ms. Usha Sivagurunathan, the former Chief Executive Officer (CEO) of the Institute, has filed a Writ Application in the Court of Appeal of Sri Lanka seeking an order of reinstatement to the position of Chief Executive Officer. The application challenges the decision of the Council of the Institute to suspend her services during the probationary period of her appointment.

As at the date of approval of these Financial Statements, the proceedings remain pending before the Court of Appeal. The matter has been fixed for its next hearing on 3 August 2026.

The Institute is of the view, based on the advice of its Legal Counsel, that it has a strong legal basis to defend the claim. Accordingly, no provision has been recognised in these Financial Statements in respect of this matter, as it is not probable that an outflow of economic benefits will be required to settle the obligation.

(27) CAPITAL EXPENDITURE COMMITMENTS

The Institute do not have significant capital commitments as at the reporting date, other than capital commitments for intangible assets of Institute Management Software Project (IMS) amounting to Rs.2,478,400/-

(28) EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no material events occurring after the balance sheet date that require adjustments or disclosure in the Financial Statements.



Appreciation



Mr. V. Rameshkumar
Secretary

The Executive Council of the Chartered Institute of Taxation of Sri Lanka (CITSL) records its sincere appreciation and heartfelt gratitude to all individuals and institutions whose invaluable support, cooperation, and commitment have contributed to the Institute's achievements during the year under review.

We extend our special thanks to the Hon. Minister of Finance and the officials of the Ministry of Finance, the Commissioner General of Inland Revenue and the staff of the Inland Revenue Department, and other government authorities for their continued support and collaboration in advancing the taxation profession in Sri Lanka.

Our deepest appreciation is extended to the members of the Institute, members of the Executive Council and subcommittees, lecturers, resource persons, examiners, moderators, invigilators, and marking panels for their dedication, professionalism, and voluntary contributions towards maintaining the highest standards of tax education and professional practice.

We gratefully acknowledge the Chief Executive Officer and the Secretariat staff for their commitment and tireless efforts in ensuring the efficient functioning of the Institute. We also thank our auditors, suppliers, service providers, digital marketing partners, sponsors, and all partner organizations for their continued support and valued association.

The Institute places on record its appreciation to the Organization of Professional Associations of Sri Lanka (OPA) for its continued cooperation and for the increasing recognition and prominence accorded to CITSL and its office bearers in acknowledgement of their contributions to the wider professional community.

The Executive Council acknowledges with gratitude the collective efforts of all stakeholders whose unwavering support has enabled the Institute to continue fulfilling its mission and strengthening the tax profession for the benefit of the nation.

By Order of the Executive Council

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

CITSL



ADVANCING TAXATION.
EMPOWERING NATION.

Committed to excellence in taxation education, research and professional development for a stronger tomorrow.

CHARTERED INSTITUTE OF TAXATION OF SRI LANKA

484, Havelock Road, Colombo 06, Sri Lanka

Tel : +94 112 055 201

Fax: +94 112 731 1262

Email : info@citsl.lk

web : www.citsl.lk