

**PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF**   
**SRI LANKA**

**VALUE ADDED TAX (AMENDMENT)**   
**ACT, No. 19 OF 2019**

**[Certified on 31st of October, 2019]**

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| *Value Added Tax (Amendment) Act, No. 19 of 2019* | 1 |

[Certified on 31st of October, 2019]

L.D.—O. 5/2019

AN ACTTOAMENDTHE VALUE ADDED TAX ACT, NO. 14 OF 2002

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:-

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| **1.** | This Act may be cited as the Value Added Tax | Short title. |

(Amendment) Act, No. 19 of 2019.

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| **2.** | Section 6 of the Value Added Tax Act, No.14 of 2002 | | | Amendment of section 6 of Act, No.14 of 2002. |
| (hereinafter referred to as the “principal enactment”) is hereby repealed and the following section is substituted therefor:- | | | |
| “The value | | 6. (1) The value of goods imported, other | |
| of goods  imported. | | than the goods as prescribed by regulation shall be the aggregate of – | |
| (*a*) | | | the value of the goods determined for |

the purpose of custom duty increased   
by ten *per centum;* and

(*b*) the amount of any custom duty payable   
 in respect of such goods with the   
 addition of any surcharge, cess, any   
 Ports and Airports Development Levy   
 payable under the Finance Act, No. 11   
 of 2002, and any excise duty payable   
 under the Excise (Special Provisions)   
 Act, No. 13 of 1989 on such goods.

(2) The Minister may, from time to time,   
prescribe by regulation, the manner by which   
the value of goods specified in the regulation   
made under subsection (1) is to be determined.   
Any such regulation made by the Minister shall   
be approved by the Cabinet of Ministers and

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published in the *Gazette.* Such regulation shall   
be placed before the Parliament for approval   
and shall be effective only upon it being   
approved by the Parliament.”.

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| Amendment of section  7 of the  principal  enactment. | **3.** | Section 7 of the principal enactment is hereby |
| amended by the repeal of paragraph (*a*) of subsection (1) of that section and the substitution therefor of the following:-  “(*a*) goods shall be zero rated where the supplier of such | |

goods has exported such goods;

For the purpose of this paragraph, any goods   
supplied by any construction contractor to be   
utilized on a construction project carried out by   
such contractor outside Sri Lanka, shall be deemed   
to be goods exported by such contractor; and”.

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| Amendment of section  22 of the  principal  enactment. | **4.** | Section 22 of the principal enactment is hereby |
| amended as follows:— | |
| (1) | in paragraph (*a*) of the first proviso to subsection |
| (1) thereof, by the repeal of subparagraphs (iii) and | |

(iv) and the substitution therefor of the following:-

“(iii) rupees seventy five for any period   
 commencing on or after August 16, 2018   
 but prior to November 1, 2019 and rupees   
 hundred for any period commencing on or   
 after November 1, 2019, for each such   
 garment other than panties, socks, briefs and   
 boxer shorts identified under the   
 Harmonized Commodity Description and   
 Coding System Numbers for custom   
 purposes;

(iv) rupees seventy five for any period   
 commencing on or after August 16, 2018   
 but prior to November 1, 2019 and rupees   
 hundred for any period commencing on or

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after November 1, 2019, for six pieces of   
panties, socks, briefs and boxer shorts,

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| identified | under | the | Harmonized |

Commodity Description and Coding   
System Numbers for custom purposes,”.

(2) in the fourth proviso to subsection (3) thereof, by   
 the substitution for the words “goods so   
 manufactured.” of the following:—

“goods so manufactured:

Provided further, that any person, who supplies   
condominium housing units and accounts for the   
output tax at the rate of six *per centum*, shall be   
entitled to deduct as input tax in relation to such   
supplies as is allowable under this Act only at the   
rate of five *per centum* even where such person has   
paid the input tax at a higher rate than the rate of   
five *per centum* on the value of such supplies   
received by him.”.

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| **5.** | Section 26 of the principal enactment is hereby | Amendment of section  26 of the  principal  enactment.  Amendment of the First  Schedule to the principal  enactment. |
| amended in subsection (1A) thereof by the substitution for the words and figures “January 1, 2013” of the words and figures “January 1, 2013, but prior to October 1, 2019”. | |
| **6.** | First Schedule to the principal enactment is hereby |
| amended in PART II thereof as follows:- | |
| (1) | in item (xi) of paragraph (*b*) of that PART— |

(*a*) by the substitution in sub-item (*b*) for the   
words and figures “on or after November 1,   
2016 but prior to the date of commencement   
of this (Amendment) Act by any person” of   
the words and figures “on or after November   
1, 2016 but prior to April 1, 2019, by any   
person”;

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(*b*) by the substitution in sub-item (*c*) for the words  
 “rupees fifteen million.” of the following:-

“rupees twenty five million; or

(iii) is relating to a sale of any   
condominium housing unit and   
where there is an agreement to sell   
in respect of such supply which is   
executed in terms of the Notaries   
Ordinance (Chapter 107) prior to   
the date of commencement of this   
(Amendment) Act; or

(iv) is a supply of a condominium   
housing unit of a condominium   
housing project in respect of   
which a certificate of conformity   
has been issued by the relevant   
Local Authority prior to the date   
of commencement of this   
(Amendment) Act in respect of   
such supply,

with effect from April 1, 2019.”;

(2) by the repeal of item (xxvi) of paragraph (*b*) and   
 the substitution therefor of the follwing:-

“(xxvi) locally produced dairy products other   
than powdered milk containing added   
sugar or other sweetening matter, out   
of locally produced fresh milk in so far   
as such milk is produced in Sri Lanka   
and locally produced rice products   
containing rice produced in Sri Lanka   
and, with effect from November 1, 2019   
locally produced rice bran oil made out   
of locally produced rice;”.

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| Sinhala text to  prevail in case  of inconsistency. | **7.** | In the event of any inconsistency between the Sinhala |
| and Tamil texts of this Act, the Sinhala text shall prevail. | |

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