



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

VALUE ADDED TAX (AMENDMENT)

**A
BILL**

to amend the Value Added Tax Act, No. 14 of 2002

*Presented by the Minister of Finance, Economic Stabilization and
National Policies on 11th of January, 2024*

(Published in the Gazette on December 14, 2023)

Ordered by Parliament to be printed

[Bill No. 236]

PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA
TO BE PURCHASED AT THE GOVERNMENT PUBLICATIONS BUREAU, COLOMBO 5

Price : Rs. 12.00

Postage : Rs. 150.00

This Bill can be downloaded from www.documents.gov.lk



STATEMENT OF LEGAL EFFECT

Clause 2 : This clause amends section 2 of the Value Added Tax Act, No. 14 of 2002 (hereinafter referred to as the “principal enactment”), and the legal effect of that section as amended is to increase the VAT rate from 15% to 18% *per centum* on the value of goods or services supplied, or goods imported.

Clause 3 : This clause amends section 10 of the principal enactment and the legal effect of that section as amended is to decrease the threshold of registration for VAT from rupees eighty (80) million to rupees sixty (60) million *per annum* with effect from January 1, 2024.

Value Added Tax (Amendment)

L.D.-O. 74/2023

AN ACT TO AMEND THE VALUE ADDED TAX ACT, NO. 14 OF 2002

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

1. This Act may be cited as the Value Added Tax (Amendment) Act, No. of 2024. Short title

5 2. Section 2 of the Value Added Tax Act, No. 14 of 2002 Amendment
of section 2
of Act,
No.14 of
2002
(hereinafter in this Act referred to as the “principal enactment”) is hereby amended, in sub-paragraph (v) of subsection (1) of that section as follows: -

10 (1) by the substitution in item (vii), for the words and figures “at the rate of twelve *per centum* (of which the tax fraction is 3/28); and”, of the words and figures “at the rate of twelve *per centum* (of which the tax fraction is 3/28);”;

15 (2) by the substitution in item (viii), for the words and figures “for any taxable period commencing on or after October 1, 2022 at the rate of fifteen *per centum* (of which the tax fraction is 3/23).”, of the words and figures “for any taxable period commencing on or after October 1, 2022 but ending on December
20 31, 2023 at the rate of fifteen *per centum* (of which the tax fraction is 3/23); and”; and

(3) by the addition immediately after the item (viii) of the following new item:-

25 “(ix) for any taxable period commencing on or after January 1, 2024 at the rate of eighteen *per centum* (of which the tax fraction is 9/59).”.

3. Section 10 of the principal enactment is hereby amended in subsection (1) of that section as follows:-

Amendment
of section 10
of the
principal
enactment

(1) by the substitution paragraph in (vii), for the words
and figures “(vii) on or after October 1, 2022,” of
the words and figures “(vii) on or after October 1,
2022 but on or before December 31, 2023,”;

(2) by the addition immediately after paragraph (vii),
of the following paragraph:-

“(viii) on or after January 1, 2024, carries on or
carries out any taxable activity in
Sri Lanka shall be required to be
registered under this Act, if-

(a) at the end of any taxable period,
the total value of the taxable
supplies of goods or services or
goods and services of such
person, made in Sri Lanka in that
taxable period has exceeded
fifteen million rupees; or

(b) in the twelve months period then
ending, the total value of the
taxable supplies of goods or
services or goods and services of
such person, made in Sri Lanka
has exceeded sixty million
rupees; or

(c) at any time, there are reasonable
grounds to believe that the total
value of the taxable supplies of
goods or services or goods and
services of such person, made in

5

Sri Lanka, in the succeeding taxable period, is likely to exceed fifteen million rupees or in the succeeding twelve months period is likely to exceed sixty million rupees.”.

4. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text
to prevail in
case of
inconsistency

