

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

**Part II of December 08, 2023**

**SUPPLEMENT**

*(Issued on 14.12.2023)*



**VALUE ADDED TAX (AMENDMENT)**

**A**

**BILL**

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

*Ordered to be published by the Minister of Finance, Economic Stabilization  
and National Policies*

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*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 2023. Short title

5      2. Section 2 of the Value Added Tax 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: - Amendment of section 2 of Act, No.14 of 2002

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 31, 2023 at the rate of fifteen *per centum* (of which the tax fraction is 3/23); and”; and

20      (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

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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

