INLAND REVENUE DEPARTMENT

Notice to VAT Registered Persons

Change in Value Added Tax (VAT) Rate

As per the Extraordinary Gazette Notification No. 2151/52 dated November 29, 2019, published under section 2A of the Value Added Tax Act No. 14 of 2002, VAT rate has been revised with effect from December 01, 2019 as set out below.

(a) supply of services by a hotel, guest house, restaurant or other similar businesses providing similar services, registered with the Sri Lanka Tourism Development Authority, if not less than sixty per centum (60%) of the total value of the inputs are sourced from local supplies/sources - Zero per centum (0%),

(b) supply of financial services - Fifteen per centum (15%),

(c) import of goods (Fabrics) set out in the H.S. Code and description specified in Column I and II of Schedule of the Extraordinary Gazette Notification No.2095/20 dated November 1, 2018, - the rate specified in the corresponding entry in Column III of such Schedule [Zero per centum (0%)]

(d) import and/or supply of goods or supply of services, other than supply of services/import of goods as referred to under above paragraphs - Eight per centum (8%).

Accordingly, different rates of VAT on the,
- supply or import of wood (sawn) (HS Code 4407 & 4408) as published in the Gazette Notification No. 2095/19, dated November 01, 2018,
- supply of services by a hotel, guest house, restaurant or other similar businesses providing similar services, registered with the Sri Lanka Tourism Development Authority, [if less than sixty per centum (60%) of the total value of the inputs are sourced from local supplies/sources] and supply of services in respect of inbound tours, by a travel agent as published in the Gazette Notification No. 2125/69, dated June 01, 2019, and
- Services being the supply of residential accommodation by way of sale of Condominium housing unit as published in the Gazette Notification No.2147/59 dated October 31, 2019

are also revised to eight (8%) with effect from December 01, 2019, by rescinding the respective Gazette Notifications.

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Commissioner General of Inland Revenue

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