



INLAND REVENUE DEPARTMENT

Notice to the Taxpayers

Implementation of changes to Value Added Tax as passed in Parliament on December 09, 2022

Changes to VAT will be implemented as per the Bill to amend the Value Added Tax Act, No. 14 of 2002 and subsequent Committee Stage Amendments (CSA) as passed in Parliament on December 09, 2022, with effect from the date of certification of the Bill or the date stated in respective clauses of the Bill and CSA and would become law once the Hon. Speaker certifies the Bill which will be incorporated into the final enactment.

According to the Bill passed in Parliament together with the CSA, the significant changes are set out below.

1. Registration Threshold

The present threshold of Taxable supplies for the registration for VAT purpose of Rs. 75,000,000 per taxable period or Rs. 300,000,000 per annum is decreased to Rs. 20,000,000 per taxable period or Rs. 80,000,000 per annum with effect from October 01, 2022.

However, the requirement for the registration will arise from the date of operation of the Amendment Act which will be notified immediately after certification of the Bill.

2. Removal of Exemption

Exemption granted on supply of condominium residential accommodation by any person will be terminated and made liable for VAT with effect from January 01, 2023.

Commissioner General of Inland Revenue



TAXES - FOR A BETTER FUTURE