



TAX ALERT

Value Added Tax – Rate Increase

December 2023



Further to the latest Bill to amend the Value Added Tax Act No. 14 of 2002 (VAT Act) issued on 14 December 2023, it has been ordered by the Minister of Finance, Economic Stabilization and National Policies to rescind the previous Government Gazette (2295/08) and to issue the Gazette Notification No 2363/22 dated 19 December 2023 under Section 2A of VAT Act.

As per the Gazette Notification No 2363/22 dated 19 December 2023 the VAT standard VAT rate is increased from 15% to **18%** for any taxable period commencing from 01 January 2024.

Attached herewith the Order published in the Ministry of Finance Website.

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Government Notifications

Order under Section 2A of Value Added Tax Act, No. 14 of 2002 as amended by Act, No. 06 of 2005

BY virtue of the powers vested in me by Section 2A of the Value Added Tax Act, No. 14 of 2002, as amended by Act, No. 06 of 2005, I, Ranil Wickremesinghe, Minister of Finance, Economic Stabilization and National Policies do by this Order, amend the order published in Extraordinary Gazette Notification No. 2282/26 dated May 31, 2022 by the substitution for the sub paragraph (b) of paragraph 1, of the following sub paragraph, with effect from January 01, 2024.

"(b) On the import and/or supply of goods or supply of services, other than the import of goods as referred to under sub-paragraph (a) of this paragraph, at the rate of eighteen per centum (18%)."

The Extraordinary Gazette Notification No. 2295/08 dated August 31, 2022 will be hereby rescinded with effect from January 01, 2024.



Ranil Wickremesinghe,

Minister of Finance, Economic Stabilization
and National Policies

Ministry of Finance, Economic Stabilization and National Policies,

Colombo 01,

December 19, 2023.