



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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