



TAX ALERT

Value Added Tax (Amendment) Act No 16 of 2024

March 2024



The Value Added Tax (Amendment) Act No.16 of 2024 (Amendment Act) was certified by the Speaker on 20 March 2024.

Following are the summary of the Amending Act

Increase in the VAT Rate

The standard VAT rate has been increased from 15% to **18%** for any taxable period commencing from 01 January 2024. The rate for VAT on Financial Services will continue at 18%.

Reduction in the Registration Threshold

The VAT registration threshold has been reduced to **LKR 60 Mn for a period of 12 months and LKR 15 Mn per taxable period** w.e.f. 01 January 2024. Previously the registration threshold was LKR 80 Mn for a period of 12 months and LKR 20 Mn per taxable period.

The requirement to register for VAT will arise from the date the VAT Amendment Act was certified by the Speaker.

As per Section 10 of the VAT Act, a person should make an application to register for VAT not later than 15 days from the date on which such person is liable to be registered.

Contact Us
KPMG Tax Team

Follow us on,



KPMG Sri Lanka



@kpmgsl



@kpmgsl



KPMG Sri Lanka

www.kpmg.com/lk

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved

The KPMG name and logo are registered trademarks of KPMG International.

