

VALUE ADDED TAX (VAT)

Main enactment,

Value Added Tax Act No. 14 of 2002 and Amendments up to Amended Act No. 04 of 2025.

1. Imposition of VAT (Section – 2)

The Value Added Tax shall be charged,

- a)
 - At the **time of supply**.
 - On every **taxable supply of goods or services**, made in a **taxable period**,
 - By a **registered person**,
 - In the course of carrying on or carrying out a taxable activity in Sri Lanka.
- b) On the importation of goods into Sri Lanka, by any person and on the Value of such goods or services supplied or the goods imported.
- c) on the supply of services by a non-resident person through an electronic platform to a person in Sri Lanka, with effect from October 1, 2025. (Amended Act No. 04 of 2025)

1.1 Interpretations Relevant to Imposition of VAT

❖ Time of Supply (Section – 4)

- I. Supply of goods (Sec 4 (1)) (earliest occurrence of one of the following)
 1. The invoice is issued, or
 2. The payment including any advance is received or
 3. The payment is due to the supplier, or
 4. The delivery of goods (If the invoice is issued within 10 days of delivery, then the time of supply is the date of invoice)
- II. Supply of Services (Sec 4 (3)) (earliest occurrence of one of the following)
 1. The payment is received, or
 2. The payment is due for the services rendered or for future services, or
 3. The invoice is issued

4. The service was performed , or (If an invoice is issued within 10 days of the performance, the date of invoice will be the time of supply)

III. Supply under Hire Purchase Agreements – Time at which the agreement entered into.

IV. Registered Under Cash Basis Supplies

Any registered person to account for the tax on a payment basis under section 23, the time of supply of goods and services shall be the time at which the payment in respect of such supply is received. (Section 4 (6))

Application of Section – 23 “Accounting Basis”, Every registered person shall account for tax on an invoice basis. **Provided, however,** that the Commissioner-General may, upon application by a registered person, direct such person to account for tax on a payment basis, subject to such conditions as may be specified by him.

- ❖ **Taxable Supply** (Section 83) - means any supply of goods or services made or deemed to be made in Sri Lanka which is chargeable with tax under this Act and includes a supply charged at the rate of zero percent **other than an exempt supply.**

Under above definition VAT shall be charged on,

1. Supply made by a company in Sri Lanka chargeable with standards rate.
2. Export of goods or services made by a company at 0%

And VAT **shall not be charged on,**

1. Exempted Supplies as per the first schedule part III of the Act.

- ❖ **Taxable period means,** (Section 83)
for any period commencing on or after April 1, 2011, but prior to October 1, 2025
There are two types of taxable periods:

(a) A period of one month

- (i) Where any person makes zero rated supplies: or
- (ii) Project registered under section 22(7)

(b) A period of three months

Commencing respectively on the first day of January, the first day of April, the first day of July and the first day of October of each year in respect of a registered person whom is not referred to in above.

for any period commencing on or after October 1, 2025

(a) a period of one month,

(i) where any person considers as an eligible exporter. (Definition of eligible exporter - *"eligible exporter" means, a registered person whose value of zero-rated supplies as defined under section 7 of this Act, during the preceding calendar year was greater than fifty percent of the total value of supplies made by that person during the same period"*)

(ii) where any person has commenced any business or any project in Sri Lanka and undertakes to comply with the requirements specified in Sec 22 (7).

(iii) where any person supplies goods or services to any Strategic Development Project during the project implementation period or any specified project identified by the Minister. (Both shall include Part III of the First Schedule to this Act).

(b) **a period of three months** commencing respectively on the first day of January, the first day of April, the first day of July and the first day of October of each year in respect of a registered person not referred to in paragraph (a) above or who opts to submit quarterly returns on the prior written approval by the Commissioner- General.

❖ **Taxable Activity means** -(Section 83)

- (a) Any activity carried on as a business, trade, profession or vocation other than in the course of employment or every adventure or concern in the nature of a trade.
- (b) The provision of facilities to its members or others for consideration and the payment of subscription in the case of a club, association or organization.
- (c) Anything done in connection with the commencement or cessation of any activity or provision of facilities referred to in (a) or (b).
- (d) The hiring, or leasing of any movable property or the renting or leasing of immovable property or the administration of any property.
- (e) The exploitation of any intangible property such as patents, copyrights or other similar assets where such asset is registered in Sri Lanka or the owner of such asset is domiciled in Sri Lanka.

1.2 Value of Supply (Section 5)

VAT is calculated on the value of supply. Value of supply depends on the type of supply. How to ascertain the value of supply in certain situations given below.

Type of Supply	Value
1. Supply of goods or services	a) When the recipient is a registered person: If the consideration is in money - Total consideration less VAT which is not less than the open market value If the consideration is not in money - If not in money or partly in money the open market value b) When the recipient is not a registered person - The tax inclusive value is not less than open market value
2. Imports of Goods (Sec 6)	CIF Value + Custom Duty + Cess + Excise Duty + Surcharges+ Port and Airport Levy (PAL) + Any other duty payable to customs + 10% of the CIF value.
3. Lottery or wagering contract or any business of like nature	Total amount received less value of the prize or winning awarded and the commission paid on sale of tickets.
4. Supply of land & land improvements thereon	Consideration – (Market value of the bare land at the time of sale + cost of improvements as at 01.04.1998). The consideration should not be less than the open market value.
5. Supply is a combination of both taxable & non- taxable supplies. (Ex – Exempted Supplies)	Open market value of the taxable portion

6. Issue of tickets or deposit of money for the supply of goods or services	Value of the tickets or deposits less the VAT, not being any refundable amount
7. Supply of Healthcare Services	Hospital Room Charges are liable for VAT with effective from 16th August 2018 <u>by Value Added Tax (amendment) act, no. 25 of 2018. (Amendment to Section 5 (15))</u>
8. Benefit from Employment	Open market value or such open market value cannot be ascertained, the cost of similar benefit to any other employee as determined by the Assistant Commissioner. However, where an employer has provided to his employees, meals free of charge or subsidized meals or transport free of charge or at a subsidized rate using a motor coach between the place of residence and work place of such employees, the value of such supplies or services shall be treated as zero for the period commencing on or after January 1, 2024.
9. Goods subject to maximum retail price fixed in terms of the Consumer Protection Act	Person who are liable to VAT on the supplies made as a buying and selling dealer would be entitled to adjust prices for VAT purpose.
10. any reinsurance commission or any compensation received in foreign currency.	on or after January 1, 2024 , the value of supply of any reinsurance commission or any compensation received in foreign currency through a bank by any local insurance company from a reinsurer outside Sri Lanka is zero rated.
11. Any unused postage and revenue stamps.	on or after January 1, 2024 , any unused postage and revenue stamps of the Government of the Democratic Socialist Republic of Sri Lanka or of a Provincial Council, to the face value of such stamps, shall be treated as zero.

2. Registration

2.1 Compulsory Registration (Section 10)

Every person who carries on a **taxable activity in Sri Lanka** where his taxable supplies exceeds or likely to exceed,

- **On or after 01st January 2024,**
 - ✓ For a taxable period of **one month or three months exceeds Rs. 15Mn** or
 - ✓ in the twelve months period then ending, the total value of the taxable supplies of goods or services or goods and services of such person, made in Sri Lanka has exceeded **sixty million rupees. (After 01st July 2026 threshold will be 9 Mn per quarter)**
- **Effective from 11th April 2025, imports or exports of goods for commercial purposes shall be required to be registered under this Act. (As per the VAT Amended Act No. 04 of 2025)**

2.2 Exclusions when determining the threshold.

- In computing the value of supplies to determine the above threshold followings should be excluded, (Section 10)
 1. Any exempt supply under part III of the first schedule.
 2. Single or Isolated Transaction.
- Any person who exceeds or is likely to exceeds above limits must notify the Commissioner General **within 15 days**. (Force Registration)

2.3 Cancellation of Registration (Section 16)

A registered person may make an application to have his registration cancelled at any time after the lapse of a period of twelve months following the date of registration under the following situations.

1. Where such registered person has ceased to carry on or carry out a taxable activity or
2. The total value of his supplies during any taxable period within such period does not exceed the registration threshold.

Special situations under cancellation of registration – Section 16 (5)

At the time of cancellation of VAT registration, any goods or services then forming part of assets of the assets of a taxable activity shall be deemed to be supplied by that person in the course of taxable activity at a time immediately prior to the date of cancellation.

However, the said provision does not apply if the taxable activity (inclusive of all the assets) is carried out by another person who is a registered person.

3. Tax Rates

- Zero Rate – 0% – Section 7
- Standard Rate 18% – Section 2

3.1 Zero Rate

0%

As per section 7 (1) a supply of,

(a)

- ✓ **Goods shall be zero rated** where the supplier of such goods has exported such goods for which payment is received in foreign currency through a bank in Sri Lanka licensed under the Banking Act, No. 30 of 1988 within a period of six months from the end of the taxable period of which such exportation has taken place.
- ✓ Any goods supplied by any construction contractor to be utilized on a construction project carried out by such contractor outside Sri Lanka, shall be deemed to be goods exported by such contractor for which payment is received in foreign currency through a bank in Sri Lanka licensed under the Banking Act, No. 30 of 1988 within a period of six months from the end of the taxable period of which such exportation has taken place. (With effective from 01st November 2019, by the VAT amended Act No. 19 of 2019)

(b) Services shall be zero rated where the supply of such services are directly connected with,

- ✓ Any immovable property outside Sri Lanka, for which payment is received in foreign currency through a bank in Sri Lanka licensed under the Banking Act, No. 30 of 1988 within a period of six months from the end of the taxable period of which supply of such service is provided;
- ✓ The repair of any foreign ship, aircraft or any merchant ship registered in Sri Lanka, or the refurbishment of marine cargo containers.
- ✓ Any goods imported into Sri Lanka for the purpose of re-export under entreport trade, for which payment is received in foreign currency through a bank in Sri Lanka licensed under the Banking Act, No. 30 of 1988 within a period of six months from the end of the taxable period of which supply of such service is provided.
- ✓ A copyright, patent, license, trade mark or similar intellectual property right, to the extent that such right is for use outside Sri Lanka, for which payment is received in foreign currency through a bank in Sri Lanka licensed under the

Banking Act, No. 30 of 1988 **within a period of six months from the end of the taxable period of which supply of such service is provided;**

- ✓ The international transportation (including trans-shipment) of goods or passengers as are specified by the Commissioner-General by Notification published in the Gazette.
- ✓ computer software development, in respect of software developed by the developer **for use wholly outside Sri Lanka**, payment is received in foreign currency through a bank in Sri Lanka licensed under the Banking Act, No. 30 of 1988 **within a period of six months from the end of the taxable period of which supply of such service is provided if, and only if, documentary evidence is produced to the satisfaction of the Commissioner – General of the supply of such services;**
- ✓ client support services provided, on or after April 1, 2001 over the internet or the telephone by an enterprise set up exclusively for the provision of such services to one or more identified clients outside Sri Lanka, for which payment is received in foreign currency through a bank in Sri Lanka licensed under the Banking Act, No. 30 of 1988 **within a period of six months from the end of the taxable period of which supply of such service is provided.**
- ✓ the provision of services to overseas buyers by a garment buying office registered with the Textile Quota Board established under the Textile Quota Board Act, No. 33 of 1996, where "payment for such service is received in foreign currency through a bank in Sri Lanka licensed under the Banking Act, No. 30 of 1988 **within a period of six months from the end of the taxable period of which supply of such service is provided**, in so far as such services are identified by the Commissioner-General as being services essential for facilitating the export of garments to such overseas buyers.

(c) Any other service, being a service not referred to in paragraph (b), provided by any person in Sri Lanka to another person outside Sri Lanka to be consumed or utilized outside Sri Lanka shall be zero rated **provided that payment for such service in full has been received in foreign currency from outside Sri Lanka through a bank in Sri Lanka licensed under the Banking Act, No. 30 of 1988 within a period of six months from the end of the taxable period of which supply of such service is provided.**

Note - Implications of Zero Rate

Section 7 (2) - Where a registered person supplies any goods or services which is zero rated,

- (a) No tax shall be charged in respect of such supply.
- (b) The supply shall in all other respects be **treated as a taxable supply** and accordingly the rate at which tax is charged on the supply shall be zero.

3.2 Standard Rate

From 01.01.2024

18%

4. Calculation of Value Added Tax

How to compute VAT payable = Output Tax - Allowable Input Tax

4.1 Output Tax (Section 83)

Tax chargeable in respect of the supply of goods or services made or deemed to be made by a registered person.

4.2 Input Tax (Section 83)

In relation to a registered person, means,

- (a) The tax charged by another registered person on any goods or services to be used by such **registered person in carrying out a taxable activity.**
- (b) the tax paid by him or tax deferred, on the importation or purchase of goods or purchase of services which are used by such person for the purpose of making taxable supplies.

4.3 Disallowable Input Tax (Section 22 (6))

- ✓ Motor vehicles used for travelling including repairs, lease, hire, insurance & etc
- ✓ Purchase of goods or services which are not connected with the taxable activity.
- ✓ In respect of the supply of goods or services received is not supported by, a valid tax invoice.

What is the valid tax invoice?

- (a) **a valid tax invoice** (For local purchases) or
- (b) **a customs goods declaration or other authenticated document** issued by the Director-General of Customs under this Act or under the Goods and Services Tax Act, No. 34 of 1996,

Any invoice referred to in above has not been deducted as provided for in this Act, from the output tax **for any taxable period ending on or before the expiry of twelve months from the date of such tax invoice**, by furnishing within the said period of twelve months the return for that taxable period; and

Any custom declaration referred to in above has not been deducted as provided for in this Act, from the output tax for **any taxable period ending on or before the expiry of twenty four months from the date of such custom declaration**, by furnishing within the said period of twenty-four months the return for that taxable period.

- ✓ The allowable input credit for any taxable period is restricted to 100% of the output tax declared for that taxable period. The balance, if any, can be carried forward and claimed in the subsequent taxable periods subject to the same restriction.

However, above restriction is not applicable for followings,

- To any supplier whose supplies are zero rated.
 - To any person who has registered under section 22(7) of the VAT Act during the project implementation period
- ✓ In addition to the above, a further amount will be disallowed where exempt, excluded or out of scope, supplies have been made.

5.4 Tax Debit Notes & Credit Notes

The claim of input tax (by way of an adjustment to input tax claimed) on “Tax Debit Notes” or a “Tax Credit Note” will be restricted to “ Tax Debit Note or Credit **Note issued within six months from the date of the issue of such original Tax Invoice.**

5.5 Bad Debts Section – 24

- If a registered person incurs a bad debt during a taxable period, they can deduct the VAT already paid on that debt from the tax payable for that period.
- The deduction cannot exceed the VAT that was originally paid on that debt in a previous period.
- If any amount that was written off as a bad debt is later **recovered**, that amount is treated as a **taxable supply** in the period it is received, and VAT must be charged again.
- If a person has deducted VAT on a bad debt, then for the debtor (if they are a registered person), that amount becomes **output tax** in their corresponding period.

5. Payment & Submission of Returns

7.1 Payment of VAT (Section 26)

VAT shall be payable on or before 20th day of the following month.

7.2 Penalty for Default (Section 27)

Where any tax is in default, the defaulter shall, **in addition to such tax in default pay as penalty,**

- (a) A sum equivalent to **ten per centum** of the amount in default; and
- (b) where the amount in default is not paid before the last day of the month succeeding the month in which such tax has begun to be in default, a further sum, **equivalent to two per centum** of the amount in default in respect of each period ending on the last day of each succeeding month or part of such period during which it is in default,

However, the total amount payable as penalty under this subsection shall in no case exceed one hundred per centum (100%) of the tax in default.

7.3 Submission of Returns (Section 21)

Returns should be submitted not later than the last day of the month after the expiry of each taxable period. (Section 21(1) (b))

From July 1, 2025, onwards, every taxable person must submit, by electronic means, a return of supplies for each taxable period no later than the last day of the month following that period. When the return is submitted, the Revenue Administration Management Information System will issue an acknowledgement of receipt. Provided that the Commissioner-General may allow a person, on written request and under special circumstances considered appropriate, to file the return in writing.

8. VAT Exemptions

Link to the section 8 "Supplies and importation exempted from tax", with effect from 01.01.2024
PART III of First Schedule mentioned the exemptions.

8.1 Importance of the exempted supplies

- To clearly identify taxable supply and charge VAT only on taxable supplies.
- Disallow the VAT input relevant to the exempted supplies (Directly attributable or commonly attributable) and correctly compute the allowable input VAT.
- Correct identification of exempted supplies for decision making perspectives.

Accordingly following are the VAT exemptions applicable from 01st January 2024 under the following categories.

Exemptions Applicable at the,

- Import or supply.**
- Local Supply - Services**
- Import**



INLAND REVENUE DEPARTMENT

Notice to the Taxpayers

Value Added Tax (VAT) Exemptions (Available on or after 01.01.2024)

Exemption of goods and services under the Value Added Tax Act, No. 14 of 2002 [as last amended by the Value Added Tax (Amendment) Act, No. 32 of 2023]

The PART II of First Schedule to the Value Added Tax Act, No. 14 of 2002 as amended by the Value Added Tax (Amendment) Act, No. 32 of 2023 will be terminated with effect from 31.12.2023. Accordingly, goods and services exempted from VAT with effect from 01.01.2024 are referred to in PART III of First Schedule to the Value Added Tax Act, No. 14 of 2002.

Such exempted goods and services are listed below.

(a)	The supply or import of-
(i)	Wheat and Wheat Flour;
(ii)	Infant Milk Powder;
(iii)	Pharmaceutical Products, Drugs (other than cosmetics), the end use of which are confined to therapeutic or prophylactic effect and purchased on a prescription of a physician and raw materials for the production or manufacture of such products or drugs;
(iv)	Ayurvedic Preparations belong to the Ayurveda Pharmacopoeia or Ayurvedic Preparations (other than cosmetic preparations) or Unani, Siddha or Homeopathic Preparations (other than cosmetic preparations) identified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes and Raw Materials for such preparations, with the recommendation of the Commissioner for Ayurveda appointed under section 3 of the Ayurveda Act, No. 31 of 1961
(v)	Crude Petroleum Oil, Kerosene, Aviation Fuel, Oil for Ships or Fuel Oil specified under the Harmonized Commodity Description Number 2710.19.60 for Custom purposes;
(vi)	Artificial Limb, Crutches, Wheel Chairs, Hearing Aids, Accessories for such aids or Appliances which are worn or carried or implanted in the human body to compensate for a defect or disability, White Canes for the blind, Braille Typewriters and Parts, Braille Writing Papers, Braille Writing Boards and any

		other articles which are used by disabled persons which are approved by the Minister taking into consideration the degree of relief requested by such persons, on an application made for that purposes;
	(vii)	Bio Fertilizer, Artemia Eggs and Peat Moss, classified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes;
	(viii)	Agricultural Seeds, Agricultural Plants, Shrimp Feed inclusive of Prawn Feed and Animal Feed but excluding Poultry Feed;
	(ix)	Yarn used for textile industry as identified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes;
	(x)	Dyes used for the handloom industry as identified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes;
(b)	The supply of-	
	(i)	Educational Services provided by any person or partnership;
	(ii)	Public passengers transport services (other than air transport, water transport or transport of tourists, excursion tours and taxi services);
	(iii)	Electricity including distribution;
	(iv)	Services in relation to burials and cremations by any institution or person;
	(v)	Services at a restaurant situated beyond the immigration counter at the Bandaranaike International Air Port;
	(vi)	Goods and services to the mission of any state or any organization to which the provisions of the Diplomatic Privileges Act, No. 9 of 1996 applies or to any diplomatic personnel of such mission or organization who is entitled to such benefits: provided that, reciprocal benefits are available to their counter parts from Sri Lanka and identified as such by the Commissioner General;
	(vii)	Goods or services funded directly by foreign organizations for the relief of sudden distress caused by natural or human disasters or to any activity having regard to the interest of the national economy, as approved by the Minister;
	(viii)	the following Financial Services: -
	(A)	the operation of any current, deposit or savings account;
	(B)	the exchange of currency;
	(C)	the issue payment collection or transfer of ownership of any note, order for payment, cheque or letter of credit;
	(D)	the issue, allotment, transfer of ownership, drawing, acceptance or endorsement of any debt security, being any interest in or right to be paid money owing by any person;
	(E)	the issue, allotment or transfer of ownership of any equity security, debt security or participatory security;

		(F)	the underwriting or sub-underwriting the issue of any equity security, debt security or participatory security;
		(G)	the provision of any loan, advance or credit;
		(H)	the provision-
		(i)	of the facility of installment credit finance in a hire purchase conditional sale or credit sale agreement for which facility a separate charge is made and disclosed to the person to whom the supply is made;
		(ii)	of goods under any hire purchase agreement or conditional sale agreement, which have been used in Sri Lanka for a period not less than twelve months as at the date of such agreement;
		(iii)	of leasing facilities under any finance lease agreement;
		(I)	the life insurance, “Agrahara” insurance and crop and livestock insurance;
		(J)	the transfer of non-performing loans of a licensed commercial bank by way of transfer of such loans to any other person in terms of a restructuring scheme or other scheme of such bank as approved by the Central Bank of Sri Lanka with the concurrence of the Minister;
	(ix)	All healthcare services provided by medical institutions or professionally qualified persons providing such care other than hospital room charges;	
	(x)	Imported any article subject to the Special Commodity Levy under the Special Commodity Levy Act, No. 48 of 2007 subject to the condition that such articles are sold without any processing except adaption for sale;	
	(xi)	Locally Manufactured Handloom Textiles;	
	(xii)	Rice, Rice Flour and Bread so far as such products are manufactured locally;	
	(xiii)	Unprocessed Agricultural, Horticultural or fishing products produced in Sri Lanka;	
	(xiv)	Locally manufactured Surgical Gauze used for surgery;	
	(xv)	Fabric which are subject to a cess at a specific rate classified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes, in lieu of chargeability of any other tax on importation at the point of entry into the country, by the Director-General of Customs as specified in a <i>Gazette</i> Notification issued under the Sri Lanka Export Development Act, No. 40 of 1979;	
	(xvi)	Services by the Department of Commerce, the Board of Investment of Sri Lanka or the Sri Lanka Ports Authority, in so far as such services are provided to any exporter or to provider of services which are zero rated services, for the purpose of tax under this Act;	
	(xvii)	Services by a person in Sri Lanka to any other person outside Sri Lanka to be consumed or utilized by such other person outside Sri Lanka for which the payment is made in Sri Lanka rupees;	

	(xviii)	Services, which result in the improvement of quality, character or value of any yarn, fabric or garment so far as such services are provided to persons other than exporters of such products;
	(xix)	Geriatric Services and Child Care Services;
	(xx)	Goods or services to any project identified as a Strategic Development Project in terms of section 3(4) of the Strategic Development Project Act, No. 14 of 2008;
	(xxi)	(a) Goods or services to any specified project identified by the Minister, taking into consideration the economic benefit to the country, on which the tax is borne by the Government; or (b) Goods and services to any infrastructure development project funded through foreign loans or donations directly to the Government Ministries, approved by the Minister on the recommendation of secretary of the respective Government Ministry;
	(xxii)	Goods or services by the Central Bank of Sri Lanka established by the Central Bank of Sri Lanka Act, No. 16 of 2023;
	(xxiii)	Any services by any public corporation to the extent of provision of such services on behalf of the Government of Sri Lanka, free of charge out of the funds voted by Parliament from the Consolidated Fund or out of any loan arranged through the Government;
	(xxiv)	Locally manufactured goods to Duty Free Shops for payment in foreign currency;
(c)	The Import of -	
	(i)	Any article entitled to duty free clearance under the Passenger's Baggage (exemptions) Regulations made under section 107 of the Customs Ordinance (Chapter 235) or any article cleared duty free on a re-importation certificate as provided for in Schedule "A" of the Customs Ordinance (Chapter 235) or any article cleared ex-bond for use as ship stores;
	(ii)	(A) Goods to be used as exhibition material or as material in any technical demonstration and which are re-exported after the completion of such project, exhibition or demonstration, as the case may be, or (B) Plant, machinery or equipment which are imported to be used in projects and re-exported after the completion of the project, and in respect of which tax is differed in terms of paragraph (b) of the second proviso to subsection (3) of section 2;
	(iii)	Aircraft Engines or Aircraft Spare Parts identified under specified Harmonized Commodity Description and Coding System Numbers for Custom purposes;
	(iv)	Chemical Naphtha by the Ceylon Petroleum Corporation to be supplied to Ceylon Electricity Board for the generation of electricity;
	(v)	(A) Goods for any specified project identified by the Minister, taking into consideration the economic benefit to the country, on which the tax is borne by the Government; or

		(B) Goods, for a project identified as a strategic development project under the provisions of the Strategic Development Project Act, No.14 of 2008, during the project implementation period, subject to the conditions specified therein; or (C) Goods for any infrastructure development project funded through foreign loans or donations directly to any Ministry of the Government of Sri Lanka, as approved by the Minister on the recommendation of secretary of the respective Government Ministry;
	(vi)	Goods to a mission of any state or any organization to which the provisions of the Diplomatic Privileges Act, No. 9 of 1996 applies or to any diplomatic personnel of such mission or organization who is entitled to such benefits, provided that, reciprocal benefits are available to the counter parts from Sri Lanka and identified as such by the Commissioner General;
	(vii)	Goods from any foreign organization or out of the funds from such organization for the relief of sudden distress caused by natural or human disasters or to any activity having regard to the interest of the national economy, as approved by the Minister.
(d)	The import and supply of goods at Duty Free Shops for payment in foreign currency.	

Commissioner General of Inland Revenue



TAXES - FOR A BETTER FUTURE