

**Circular to Clients****VALUE ADDED TAX (AMMENDED) ACT, NO 44 OF 2022****Effective Date – From 14<sup>th</sup> December 2022****VAT Rates**

VAT rate	Applicable Period
12%	01 <sup>st</sup> June 2022- 31 <sup>st</sup> August 2022
15%	01 <sup>st</sup> September onwards

**VAT Threshold for Registration or Re-Activation**

Description	Per Annum (Rs.)	Per Quarter (Rs.)
Up to 30 <sup>th</sup> September 2022	300 million	75 million
As per Amended Act (w.e.f. 01 <sup>st</sup> October 2022) **	80 million	20 million

**Registration For VAT**

\*\* Though the registration threshold has been reduced w.e.f. 01<sup>st</sup> October 2022, the requirement of registration arises only from 14<sup>th</sup> December 2022. Hence, any person whose value of supply exceeds or likely to exceed, need to apply for registration on or before 28<sup>th</sup> December 2022.

**Removal of Exemption**

The VAT exemption for supply of condominium residential accommodation made liable for VAT w.e.f. 1<sup>st</sup> January 2023

If you require any further clarifications on the matters discussed therein and how they may affect your business please do not hesitate to Contact us,

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Sgd.

**Jayasinghe & Co.**

**Chartered Accountants**

Colombo

20<sup>th</sup> December 2022