

Amendments to the Value added Tax Act No. 14 of 2002

Exemptions:

The importation of -

- Buses on or after 09.07.2008 to replace the buses destroyed due to terrorist activities.
- Brass sheets, brass ingots, thread, dyes, paraffin wax and shellac for the manufacture of brassware by the National Craft Council with the approval of Ministry of Rural Industries and self-employment promotion with effect from 01.01.2009.
- Chemical naphtha by the Ceylon Petroleum Corporation to be supplied to Ceylon Electricity Board for the generation of electricity with effect from 01.01.2009.
- The import or supply of solar panel modules and accessories for the generation of solar power energy specified under HS code Nos.

8501.31.10/8541.40.10/8513.10.10/9405.10.10/9405.10.20/9405.20.10/
9405.20.20/9405.40.30/9504.40.40/9032.89.10/8539.31.20

with effect from 01.01.2009.

Rates Changes: (effective from 01.01.2009)

Basic Rate of 5%:

- The goods which are liable to tax under the provisions of Special Commodity Levy act No. 48 of 2007 is removed from the Basic rate schedule; and
- The rest of the goods in that Schedule are taxed at the standard rate of 12%.

The reduction of the Standard Rate:

- The Standard Rate of 15% is reduced to 12%.