

Tax Flash News

A Bill to Amend the Social Security Contribution Levy Act No 25 of 2022

KPMG in Sri Lanka

October 2025

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A Bill to amend the Social Security Contribution Levy Act No. 25 of 2022 (Bill) has been ordered to be published by the Minister of Finance, Economic Stabilization and National Policies in the Government Gazette on 01 October 2025.

The salient features of the Bill are as follows.

1. New Exemption

- Financial services provided by any person carrying on the business of providing financial services in Sri Lanka is exempt from SSCL.
- Effective date 01 January 2026.

2. Restriction on the Exemption

Import or local purchase of machinery or equipment for electricity generation:

- Currently applicable exemption on machinery or equipment (classified under Customs HS Codes and approved by the Minister of Finance) imported or purchased locally for electricity generation by the Ceylon Electricity Board (CEB) or institutions supplying electricity to the CEB, will be ceased with effect from 18 February 2025.
- Any supply made after 18 February 2025 will be liable to SSCL
- Effective date 18 February 2025

3. Exemption Clarified

Wholesale and retail of petrol, diesel or kerosene

- Prior to 1 July 2025: Exemption applies to petrol, diesel, or kerosene sold at a filling station.
- From 1 July 2025 onwards: Exemption applies to sales of petrol, diesel, or kerosene.
- Effective date 01 July 2025

Expanding the exemption for “Transportation of goods & passengers

- Prior to 01 January 2026: Exemption applies to Transportation of goods & passengers
- From 01 January 2026 onwards: Exemption applies to Transportation of goods & passengers including the services provided in relation to international transportation by container terminal operators
- Effective date 01 January 2026.