



## Tax Flash News

# Postponement of VAT on Digital Services

KPMG in Sri Lanka

October 2025

## Tax Flash News

The Inland Revenue Department (IRD) has issued the notice dated 01 October 2025 (published on the IRD website on 08 October 2025) informing the postponement of the implementation of Value Added Tax (VAT) on supply of services through electronic platform by non-resident providers to 01 April 2026, pending parliamentary approval

A copy of the notice is attached herewith for your reference.



# **INLAND REVENUE DEPARTMENT**

## **Notice to the Taxpayers**

**Postponement of effective date of Imposition of VAT on the supply of digital services through electronic platform by the non-resident service providers**

The Cabinet of Ministers at its meeting held on September 03, 2025, has granted approval to postpone the effective date of the implementation of Value Added Tax (VAT) on the supply of services through electronic platform by non-resident service providers.

Accordingly, the date of implementation of VAT on such services which was originally scheduled to be implemented with effect from October 01, 2025 has been postponed to April 01, 2026, with pending approval of parliament.

The necessary legislative changes will be made in due course.

**Commissioner General of Inland Revenue**



**TAXES - FOR A BETTER FUTURE**