



# Tax Flash News

## Further Postponement of Implementation of VAT on Digital Services

KPMG in Sri Lanka

April 2026

## Tax Flash News

The Inland Revenue Department (IRD) has issued the notice dated 31 March 2026 (published on the IRD website on 02 April 2026) informing the further postponement of the implementation of Value Added Tax (VAT) on supply of services through electronic platform by non-resident providers until 01 July 2026. This would be effected via a formal amendment to the VAT Act.

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**

This refers to WEB Notice No.PN/VAT/2025-03 dated October 1, 2025, regarding the effective date for the implementation of Value Added Tax (VAT) on the supply of services through electronic platforms by non-resident service providers.

The implementation of VAT on such services has been further postponed until July 1, 2026, subject to formal amendment to the VAT Act.

**Commissioner General of Inland Revenue**



**TAXES - FOR A BETTER FUTURE**