



Tax Flash News

Social Security Contribution Levy (Amendment) Act No 10 of 2026

KPMG in Sri Lanka

April 2026

Tax Flash News

The Social Security Contribution Levy (Amendment) Act No 10 of 2026 has been certified by the Speaker on 09 April 2026 and published as a Supplement to Part II of the Gazette of the Democratic Socialist Republic of Sri Lanka on 10 April 2026.

SSCL Registration Threshold

The Amending Act revises the registration threshold and the de-registration threshold as follows effective from **01 July 2026**

| Description | Amendments Effective From 1 July 2026 | What has Changed from the Bill ? |
|--|--|--|
| Registration Threshold (S.4 (d)) | <p>Quarterly Threshold – Rs 9 Mn (Reduced from Rs 15 Mn)</p> <p>Annual Threshold– Rs 36Mn (Reduced from Rs 60 Mn)</p> <p>Any person should apply for registration within 15 days from the date where above threshold is met or likely to be met</p> | Effective date has been deferred by three months to 01 July 2026 from 01 April 2026 |
| De-registration Threshold (S.5 (d)) | <p>A registered person may qualify for de-registration if the aggregate turnover for four consecutive quarters does not exceed Rs 36Mn (Reduced from Rs 60 Mn)</p> | |

As the threshold revision is effective from 01 July 2026, in terms of section 4(1)(c) of the SSCL Act, any person is liable to SSCL if the aggregate turnover exceeds, or is likely to exceed, Rs. 15 million for a quarter or Rs. 60 million per annum during the period **till 30 June 2026**

SSCL on Motor Vehicles

| Description | Amendments effective From 1 May 2026 | What has Changed from the Bill ? |
|---------------------------|--|---|
| Removal of Exemption | Importation of any motor vehicle identified under HS Code for Custom purpose and liable to excise duty under the Excise (Special Provisions) Act | Effective date has been deferred by one month to 01 May 2026 from 01 April 2026 |
| Introduction of Exemption | Wholesale or retail sale of any motor vehicle | |

The Amending Act does not include transitional provisions to address situations where motor vehicles may remain in closing stock as of 30 April 2026.





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**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**SOCIAL SECURITY CONTRIBUTION LEVY
(AMENDMENT) ACT, No. 10 OF 2026**

[Certified on 09th of April, 2026]

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*Social Security Contribution Levy
(Amendment) Act, No. 10 of 2026*

[Certified on 09th of April, 2026]

L.D. -O. 73/2025

AN ACT TO AMEND THE SOCIAL SECURITY CONTRIBUTION LEVY
ACT, NO. 25 OF 2022

BE it enacted by the Parliament of the Democratic Socialist
Republic of Sri Lanka as follows: -

1. This Act may be cited as the Social Security Contribution Levy (Amendment) Act, No. 10 of 2026. Short title

2. Section 4 of the Social Security Contribution Levy Act, No. 25 of 2022 (hereinafter referred to as the “principal enactment”) is hereby amended in subsection (1) thereof as follows: - Amendment of
section 4 of Act,
No. 25 of 2022

(1) in paragraph (c) thereof, by the substitution for the words and figures “on or after January 1, 2024,”, of the words and figures “on or after January 1, 2024 and prior to July 1, 2026;”;

(2) by the addition immediately after paragraph (c) thereof, of the following new paragraph: -

“(d) for any period commencing on or after July 1, 2026, not later than fifteen days from the date on which the aggregate of the turnover for a quarter exceeds or likely to exceed nine million rupees or from the date on which the aggregate of the turnover for a period of consecutive four quarters exceeds or likely to exceed thirty-six million rupees:”;

(3) in proviso to paragraph (c) thereof, by the substitution for the words “from the date of

*Social Security Contribution Levy
(Amendment) Act, No. 10 of 2026*

operation of this (Amendment) Act.”, of the words and figures “from March 20, 2024.”.

Amendment of section 5 of the principal enactment

3. Section 5 of the principal enactment is hereby amended in subsection (1) thereof as follows: -

- (1) in paragraph (b) thereof, by the substitution for the words “hundred and twenty million rupees; or”, of the words “hundred and twenty million rupees;”;
- (2) in paragraph (c) thereof, by the substitution for the words and figures “on or after January 1, 2024,” and the words “sixty million rupees.”, of the words and figures “on or after January 1, 2024 and prior to July 1, 2026,” and of the words “sixty million rupees; or” respectively; and
- (3) by the addition immediately after paragraph (c) thereof, of the following new paragraph: -

“(d) for any period commencing on or after July 1, 2026, the aggregate turnover of such registered person for a period of consecutive four quarters does not exceed thirty-six million rupees.”.

Amendment of the First Schedule to the principal enactment

4. The First Schedule to the principal enactment is hereby amended as follows: -

- (1) in item 25 of PART IA thereof, by the substitution for the words “on the importation;”, of the words and figures “on the importation prior to May 1, 2026”; and

(2) in PART IB thereof-

- (a) in item 5, by the substitution for the words “L.P. Gas; and”, of the words “L.P. Gas;”;
- (b) in item 6, by the substitution for the words “local producer.”, of the words “local producer; and”; and
- (c) by the addition immediately after item 6, of the following new item: -

“7. Any motor vehicle effective from
May 1, 2026.”.

5. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.

Sinhala text to
prevail in case of
inconsistency