

**New VAT liable List (List of
Items removed from
exemptions list) with effect
from January 01, 2024**

No	Item
01	food products made out of grains cultivated in Sri Lanka, as identified by the Commissioner General as high protein and high energy agro foods provided that procurements of such grains with backward integration from out growers is undertaken;
02	locally manufactured coconut milk.
03	liquid petroleum gas, petrol and diesel
04	any motor vehicle identified under the Harmonized Commodity Description and Coding Numbers for custom purposes and liable to the Excise (Special Provisions) duty under the Excise (Special Provisions) Act, No. 13 of 1989 on the importation of such vehicle or any motor vehicle liable to the same duty on the manufacture of any such vehicle
05	lorries, trucks, buses, sports equipment, machinery used for the production of rubber or plastic products, moulding (steel, glass, rubber, mineral material or plastic), photo sensitive semiconductor devices; raw materials for the manufacture of spectacles and spectacle frames; items and spares for the poultry industry; bowsers, bulldozers, graders, levelers, excavators, firefighting vehicles, gully bowsers, semi-trailers for road tractors, machinery, equipment used for garbage disposal activities or garbage trucks; (item no to be corrected) energy saving bulbs, and raw materials for the manufacture of energy saving bulbs; ties and bows or designer pens; (item no to be corrected) classified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes;
06	cellular mobile phones
07	ethyl alcohol imported or manufactured and supply as a by-product which is liable to customs duty and CESS on importation or excise duty under the Excise Duty Ordinance on manufacturing of such products.
08	electrical goods identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes;
09	High tech medical equipment or any machinery used for the manufacture of ticket issuing machinery identified under the specified Harmonized Commodity Description Numbers for custom purposes

10	medical machinery or medical equipment identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes;
11	medical equipment, machinery, apparatus, accessories and parts thereof, hospital furniture, drugs and chemicals donated to a government hospital or the Ministry of Health for the provision of health services to address any pandemic or public health emergency, approved by the Minister assigned the subject of Finance on the recommendation of the Secretary to the Ministry of the Minister assigned the subject of Health.
12	Health protective equipment and similar products by any exporter, registered with the Board of Investment of Sri Lanka established by the Board of Investment of Sri Lanka Law, No.4 of 1978, to the Ministry of Health and Indigenous Medical Services, Department of Health Services, Sri Lanka Army, Sri Lanka Navy, Sri Lanka Air force and Sri Lanka Police;
13	medical equipment, medical machinery or any ambulance;
14	packing materials exclusively for the use of packing of pharmaceuticals or ayurvedic medicines manufactured in Sri Lanka and which are imported by the manufacturer of such pharmaceuticals or ayurvedic medicines, so far as such packing materials are not manufactured in Sri Lanka as approved by the Secretary to the Ministry of the Minister to whom the subject of Health is assigned or the Commissioner of the Department of Ayurveda, as the case may be, for this purpose;
15	pharmaceutical machinery and spare parts for the pharmaceutical machinery which are not manufactured in Sri Lanka, classified under the Harmonized commodity Description and Coding System Numbers for Custom proposes, imported by pharmaceutical manufacturers and recommended by the Secretary to the Ministry of Health;
16	agricultural machinery, mammoties, forks, chemical fertilizer, artemia eggs and Peat moss, classified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes
17	agricultural tractors and road tractors for semitrailers classified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes
18	locally manufactured machinery used for tea industry and identified by Sri Lanka Tea Board established by the Sri Lanka Tea Board Law, No. 14 of 1975 as a tea machinery
19	Prawns
20	frozen bait, fish hooks/rods/reels, fishing tackle and marine propulsion engines identified under the Harmonized Commodity Description and Coding System

	Numbers for Custom proposes;
21	locally manufactured coconut oil or coco peat, coir fiber, grow pellets, grow bags, twist fiber or coconut husk made out of coconut waste;
22	unprocessed prawns produced in Sri Lanka including the local supply of unprocessed prawns, where value added tax has not been collected or paid to the Department of Inland Revenue;
23	locally produced dairy products other than powdered milk containing added sugar or other sweetening matter, out of locally produced fresh milk in so far as such milk is produced in Sri Lanka and locally produced rice products containing rice produced in Sri Lanka and, locally produced rice bran oil made out of locally produced rice;
24	poultry keeping machinery, poultry incubators and brooders, the import of cattle, buffaloes, poultry, pigs, goats, sheep for breeding purposes and the seimen and embryos of such animals for breeding purposes, under the specified Harmonized of Commodity Description Numbers for the Custom purposes, with the approval of the Commissioner-General of Inland Revenue;
25	Sea sand
26	solar panel modules, accessories or solar home system for the generation of solar power energy identified under the specified Harmonized Commodity Description Numbers for Customs purposes
27	pearls, diamonds, natural or synthetic, precious or semi -precious stones, diamond powder, precious metals, metals clad with precious metals, gold coins
28	books magazines, journals or periodicals (other than newspapers) for any period on or after November 11, 2016 under the Harmonized Commodity Description and Coding System Numbers for Custom purposes; and unused postage and revenue stamps of the Government of the Democratic Socialist Republic of Sri Lanka or of a Provincial Council
29	machinery used for construction industry, milk processing machinery, computers including computer accessories, machinery and yarn used for textile industry as identified under the Harmonized Commodity Description and coding System Numbers for custom purposes and, and machinery used for rice milling industry which are identified by the Commissioner General of Inland Revenue under Harmonized Commodity Description and Coding System Numbers for Custom purposes;
30	plant and machinery by a company, for the use in a new undertaking by such company in any District other than Colombo and Gampaha as having a capital investment of not less than rupees thirty million and the other criteria specified in section 20 of the Inland Revenue Act for the purposes of the Tax

	Holiday;
31	media equipment or motor bicycles recommended by the Secretary to the Ministry of the Minister in charge of the subject of Media and approved by the Minister, for use by media personnel
32	machinery and equipment for manufacture of grain mixed bakery products
33	machinery and equipment for manufacture of grain mixed bakery products; machinery and equipment for the use of leather or footwear industry or bags, motor homes, taxi meters, agricultural machinery and parts, electronic equipment or articles use manufacture of fashion jewellery; fruit seeds;
34	plants, machinery or accessories for renewable energy generation identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes;
35	clay roof tiles or chemical naphtha, to the extent that such clay roof tiles or chemical naphtha are manufactured in Sri Lanka;
36	locally manufactured sugar;
37	locally manufactured jewellery;
38	locally manufactured - <ul style="list-style-type: none"> (i) hydropower or wind power machinery and equipment; (ii) turbines; (iii) canned fish or clay pottery products using locally produced raw materials; (iv) products using locally procured raw materials for the required specification of tourist hotels or airlines; (v) specified products to identified state institutions replacing imports, by the manufacturer in so far as such products are locally value-added products, as per the conditions specified in the guidelines issued for this purpose;
39	locally manufactured fabric in the domestic market by any manufacturer who does not enjoy any concessions under any agreement entered into with the Board of Investment of Sri Lanka;
40	rattans under HS Code No. 1401.20;
41	imported rattans;
42	locally manufactured briquettes and pallets using bio mass wastes;
43	Locally developed software
44	locally manufactured palm oil;

45	desiccated coconut, rubber, latex, tea including green leaf, eggs, liquid milk so far as such products are manufactured locally;
46	goods by any person who has entered into an agreement with the Board of Investment of Sri Lanka under section 17 of the Board of Investment of Sri Lanka Law No. 4 of 1978, which is prescribed as a project related article, to be utilised in the project specified in the agreement, which project one completed will be solely in the business of making exempt supplies, - (a) for a period of two years from August 1, 2002; or (b) until the completion of the project as determined by the Board of Investment of Sri Lanka, whichever is earlier, other than any article in the negative list published by the Secretary to the Treasury for the purposes of this paragraph;
47	samples of garments for business purposes by any garment buying office in Sri Lanka registered with the Textile Quota Board established under the Textile Quota Board Act, No. 33 of 1996, so long as such item is not sold;
48	information technology and enabled services as shall be prescribed;
49	Unprocessed timber logs.
50	any machinery or equipment by the Ceylon Electricity Board or an Institution which has entered into an agreement with the Ceylon Electricity Board to supply electricity required for the purpose of generating electricity identified under specified Harmonized Commodity of Description Numbers for custom purposes, approved by the Minister;
51	finished leather to be used for the shoe manufacturing industry, on the recommendation of the Secretary to the Ministry of Industrial Development subject to approval by the Minister in charge of the subject of Finance;
52	plant, machinery or equipment of high value to be used for any project which are re-exported after the completion of such project, exhibition or demonstration, as the case may be and in respect of which tax is differed in terms of paragraph (b) of the second proviso to subsection (3) of section 2;
53	plant and machinery by an undertaking qualified for a tax holiday under section 24C of the Inland Revenue Act No 10 of 2006, for use by such undertaking for the purpose of manufacturing or for the provision of services;
54	Brass sheets, brass ingots, thread, dyes paraffin wax or shellac for manufacture of brassware by the National Craft Council with the approval of Minister of Rural Industries and Self-Employment Promotion;
55	samples in relation to a business worth not more than rupees fifty thousand subject to such terms and conditions as specified by the Director- General of

	Customs;
56	<p>machinery for the manufacture of bio mass briquettes and pallets so far as such machinery is imported by the manufacturer of such products classified under the Harmonized Commodity Description and Coding System Numbers for Custom proposes;</p> <p>plant, machinery or equipment by any enterprise qualified for a tax exemption under section 16 D and 17 A of the Inland Revenue Act, No.10 of 2006, for the use by such enterprise for the purposes specified in the agreement entered into with the Board of Investment of Sri Lanka on which tax is deferred during the project implementation period, subject to the fulfillment of the conditions specified in the agreement, during the project implementation period;</p>
57	services by Tower Hall Theatre Foundation established by the Tower Hall Theatre Foundation Act, No.1 of 1978 or Cultural Fund established under Central Cultural Fund Act, No. 57 of 1980
58	international telecommunication services provided by "External Gateway Operators" to local telecommunication operators
59	public library service by the Government, Provincial Council or a local authority;
60	services being chartering of any vessel;
61	services being receipts from reinsurance by any local insurance company by way of commission or compensation in an insurance business;
62	services, being research and development services provided by the supplier of such services within the meaning of the Inland Revenue Act, No.10 of 2006 for the purposes of deduction under section 25 of that Act;
63	painting, at the point of sale, by the artist thereof;
64	specific services for any international event approved by the Minister of Finance having taken into consideration the economic benefit to the country by conducting such an event in Sri Lanka;
65	services, which result in the improvement of quality, character or value of any yarn, fabric or garment so far as such services are provided to persons other than exporters of such products;
66	services by a Unit Trust Management company so far as such services are provided to any Unit Trust;
67	services being hotel accommodation to any sportsman, organizer of any sport event or sponsor arriving in Sri Lanka for participating in any sport event or

	activity connected with sports, as may be approved by the Minister who is in charge of the subject of Sports;
68	services by any headquarters or regional head offices of institutions in the international network relocated in Sri Lanka as exempted for income tax purposes under section 7 of the Inland Revenue Act, No. 10 of 2006, so far as such receipts are in foreign currency received;
69	Services in respect of inbound tours, by a travel agent registered with the Sri Lanka Tourism Development Authority.
70	any goods, (other than motor vehicles and goods for personal use required for the purpose of provision of services being international transportation which is consigned to Sri Lankan Air Lines Limited, Mihin Lanka (Pvt) Ltd. Or Air Lanka Catering Services Ltd;
71	gully bowsers, semi-trailers for road tractors, any machinery or equipment used for garbage disposal activities carried out by any local authority, for the purpose of provision of such services to the public, as approved by the Secretary to the relevant Ministry;
72	the import and supply of goods at duty free shops for payment in foreign currency.
73	the import and supply of goods at duty free shops for payment in foreign currency.
74	the supply of any goods or services provided prior to November 1, 2016, by any society registered under the Co-operative Societies Law, No. 5 of 1972, or under the respective Statutes enacted by the Provincial Councils providing for such registration, or Lak Sathosa registered under the Companies Act, No. 7 of 2007;
75	The supply of services, being construction services for Gama Naguma, Maga Naguma, Samurdhi Projects or for community irrigation projects, carried out through the participation of the community and approved by Secretary to the Minister of the Minister in charge of the subject of Nation Building and State Infrastructure Development.
76	goods or services by an institution set up by the Ministry of Defence for the rehabilitation of disabled soldiers, in so far as the activities are carried out by the participation of such soldiers.
77	the supply of goods or services by any individual who is a citizen of Sri Lanka and who carries on any business of manufacturing of any article other than any liquor or tobacco product or supply of any services after returning from a foreign employment for a period of five years reckoned from the beginning of the year of assessment in which such business commences if such individual invests his earnings from such foreign employment to commence such

	business.
78	the supply of goods or services by any individual who is a citizen of Sri Lanka and who carries on any business of manufacturing of any article other than any liquor or tobacco product or supply of any services after returning from a foreign employment for a period of five years reckoned from the beginning of the year of assessment in which such business commences if such individual- (ii) returns from such foreign employment on or after January 1, 2013; and invests his earnings from such foreign employment to commence such business.
79	local supply of any goods [other than goods referred to in paragraph (c)], which would have been exempted on importation, if imported
80	(locally supplied) any goods which would have been exempted on importation, if imported
81	goods for any international event approved by the Minister of Finance taking into consideration the economic benefit to the country, by conducting such event in Sri Lanka;
82	any capital items required for the purposes of providing training by any institution providing vocational training or practical training approved by the Minister in charge of the subject of Tertiary Education and Training in consultation with the Minister where the Government has provided funds or other assistance to such institution and the surplus funds of such institution are re-invested as to the maintenance or improvement of such institution;
83	goods to any project approved by the Commissioner- General, as having a capital investment of not less than rupees one hundred million which are considered as project related capital goods, other than the goods in the negative list published by the Secretary to the Treasury, during the project implementation period which shall not exceed three years from the commencement of the project, provided that such project makes taxable supplies upon the completion of the project;
84	machinery, equipment or spare parts imported by Sri Lanka Ports Authority to be used exclusively within the ports of the Sri Lanka Ports Authority.
85	hot air balloons identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes.
86	free or subsidised meals by an employer to his employees at their places of work and transport free or at a subsidised rate by an employer to his employees using a motor coach between the place of residence and work place of such employees;
87	Imported unprocessed timber logs, ships or rattans;

88	any film, for distribution or exhibition;
89	laboratory facilities for production of any film;
90	personal items and samples in relation to business worth not more than ten thousand rupees through parcel post or courier;
91	Any ship;
92	any film which is produced in Sri Lanka and sent abroad for further processing or printing, with the approval of the Chairman of the National Film Corporation;
93	any bus by the holder of any valid passenger service permit issued by the National Transport Commission or any Provincial Road Passenger Transport Authority for the replacement of a bus which is being used for the transport of passengers and which has been so used for not less than five years at the time of such import;
94	Any bus with the approval of National Transport Commission or any Provincial Road Passenger Transport Authority by the owner of such bus to replace any bus destroyed due to terrorist activities;
95	Cine films, cinematographic films exposed or developed, magnetic cine sound recorders, cinematographic cameras, projector parts and accessories, apparatus and equipment for cinematographic laboratories, electric filament or discharge lamps, arc lamp carbon, speakers, amplifiers, digital stereo processors and accessories, cinema media players and digital readers,, identified under the Harmonized Commodity Description and Coding System Numbers , for custom purposes with the approval of the Chairman, National Film Corporation;