



## INLAND REVENUE DEPARTMENT

### **Notice to VAT Registered Persons who supply Condominium Housing Units**

#### **Exemption of Value Added Tax (VAT) on supply of Residential Accommodation**

This refers to our notice published on December 03, 2019 under the caption “Change in Value Added Tax (VAT) Rate” in which it was stated (among others) that “Services being the supply of residential accommodation by way of sale of Condominium housing unit as published in the Gazette Notification No.2147/59 dated October 31, 2019 are also revised to eight (8%) with effect from December 01, 2019, by rescinding the respective Gazette Notifications”.

As instructed by the Ministry of Finance on December 20, 2019, and approved by the Cabinet of Ministers, supply of residential accommodation by way of sale of Condominium housing unit by any person is exempt from VAT with effect from December 01, 2019.

Accordingly, VAT is not applicable on the sale of condominium Housing Unit with effect from December 01, 2019, subject to formal amendment to the Value Added Tax Act No. 14 of 2002, to be passed in Parliament.

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### **Commissioner General of Inland Revenue**



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