

Government Notifications

VALUE ADDED TAX ACT, NO.14 of 2002

Regulations under Section 71 of the Value Added Tax Act, No. 14 of 2002

BY VIRTUE of the powers vested in me under Section 71 of the Value Added Tax Act, No. 14 of 2002, I, Anura Kumara Disanayake, Minister of Finance, Planning and Economic Development, make the following regulations.


Anura Kumara Disanayake,
Minister of Finance, Planning and
Economic Development

Ministry of Finance, Planning and Economic Development,
Colombo 01.

31-10, 2025.

Regulations for the Management of the Value Added Tax Refund Fund

1. These Regulations shall be cited as the Administration of the Value Added Tax Refund Fund Regulation No. 01.
2. The purpose of the VAT Refund Fund shall be to ensure timely and efficient issuance of legitimate VAT refund claims in accordance with the provisions of the Value Added Tax Act, No.14 of 2002, as amended from time to time.
3. A separate account shall be maintained for the VAT Refund Fund at the Central Bank of Sri Lanka or any state bank approved by the Minister of Finance.
4. Disbursements from the VAT Refund shall be strictly limited to the issuance of VAT refund claims duly verified and approved under the provisions of the VAT Act.
5. Refunds shall be made on a first-verified-first-served basis, as an Account Payee Cheque or Bank transfer to the registered Bank account operate in a commercial bank in Sri Lanka.
6. Any amount from the VAT Refund Fund shall not be utilized for administrative or operational expenses of the Inland Revenue Department or any other department.

7. Proper books of accounts and records shall be maintained in respect of all receipts and payments of the VAT Refund Fund.
8. Quarterly financial statements on the operation of the VAT Refund Fund shall be submitted to the Secretary to the Ministry of Finance.
9. An annual report on the performance of the VAT Refund Fund shall be published by the Commissioner General and laid before Parliament through the Minister of Finance.
10. Guidelines, circulars, or instructions to ensure the proper management and administration of the VAT Refund Fund may be issued by the Commissioner General.
11. All pending VAT refund claims as of the effective date of these Regulations shall be issued under these provisions, subject to verification.
12. Any procedures previously in force that are inconsistent with these Regulations shall, upon the date of commencement of these Regulations, be deemed replaced by this regulation.
13. For the purpose of these Regulations –

“Commissioner General” means the Commissioner General of Inland Revenue;

“VAT Refund Fund” means the Value Added Tax Refund Fund established under Section 71 of the Value Added Tax Act, No.14 of 2002.