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திகதி } 05.06.2026
Date }

PRESS RELEASE

Digital invoicing Phase I Successfully rolled out & Phase II implementation commenced.

In line with the budget speech 2026, the Inland Revenue Department (IRD) to date has successfully advanced the implementation of the Digital Invoicing System, marking significant progress through a structured, phased rollout (Phase 1 – SVAT impacted Exporters, Phase 2 – VAT registered businesses and Phase 3 – Implementation of POS machines) aimed at improving tax administration efficiency, accelerating VAT refunds, and enhancing compliance to facilitate the digital journey embarked by the nation.

Phase 1: Exporters onboarded since October 2025

The first phase of the Digital Invoicing System is successfully continuing with strong participation from key sectors of the economy. Over 340 companies have voluntarily onboarded and are already experiencing tangible benefits, particularly through faster VAT refund processing.

The digital invoicing involves fully system-based reconciliation with much faster turnaround facilitating swift VAT refunds to businesses.

Sectors onboarded includes apparel exporters and tea producers through tea brokers. These stakeholders are now benefiting from significantly faster refund processing times, in many cases being eligible to receiving refunds within a few days.

Phase 2: VAT-Registered Businesses Onboarding Process Started in April 2026

The second phase of implementation is currently underway, focusing on expanding the system to a wider base of VAT-registered businesses on a voluntary basis.

Discussions are in progress with large scale manufacturing and retail chains who have expressed willingness to join the system. In this regard, several discussions were held with the businesses and technical documentation along with integration guidance have already been shared with 27 export-oriented companies and a further 170 VAT-registered manufactures

indicating the private sector's confidence, willingness to onboard and join the digital journey embarked by the IRD.

Phase 2 is designed to ensure VAT registered businesses are provided with an opportunity to onboard early to benefit from the efficiency offered by the digital platform and get ready for a smooth transition.

Phase 3: POS Machines to be introduced to Accelerate the Digital Journey

The third phase will focus on use of Point of Sale (POS) systems for all VAT-registered entities, with implementation commencement expected by the end of this year. In this regard, necessary amendments to the VAT Act are to be introduced with Commissioner General of Inland Revenue specifying the methodology and timeline through further communications.

The IRD is actively facilitating onboarding processes and remains committed to supporting all VAT-registered persons. Businesses with the different levels of capabilities to integrate their systems such as Enterprise Resource Planning (ERP) systems or other applicable solutions available to them with the Revenue Administration Management Information System (RAMIS) through Web API integration as specified by the IRD for a seamless digital compliance and scheduled or real-time data exchange.

The Digital Invoicing initiative represents a significant step towards modernizing tax administration in Sri Lanka. Through phased implementation, the IRD aims to ensure a balanced approach that supports businesses while strengthening transparency, efficiency, and revenue collection.

Ministry of Finance, Planning & Economic Development