



PERFORMANCE REPORT - 2024

Expenditure Head No: 238

**Department of Fiscal Policy
Ministry of Finance, Planning and Economic Development
Colombo 01**

Table of Contents

1	Institutional Profile/ Executive Summary	2
1.1	Introduction	3
1.2	Vision and Mission	3
1.3	Scope and Functions	3
1.4	Organizational Structure	4
2	Progress, Challenges and Goals	5
2.1	Overview	6
2.2	Tax Policy Reforms	9
2.3	Government Revenue Performance	11
2.4	Challenges and Future Goals	33
3	Overall Financial Performance for the Year ended 31st December 2024	34
3.1	Statement of Financial Performance	35
3.2	Statement of Finance Position	37
3.3	Statement of Cash Flows	38
3.4	Notes to the Financial Statements	40
3.5	Performance of the Revenue Collection	41
3.6	Performance of the Utilization of Allocation	41
3.7	In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments	41
3.8	Performance of the Reporting of Non-Financial Assets	42
3.9	Auditor General's Report 2024	43
4	Performance Indicators	49
4.1	Performance Indicators of the Institute (Based on the Action Plan)	50
5	Performance of the Achieving Sustainable Development Goals (SDG)	52
5.1	Indicate the Identified respective Sustainable Developments Goals	53
5.2	Briefly explain the achievements and challenges of the Sustainable Development Goals	53
6	Human Resource Profile	54
6.1	Cadre Management	55
6.2	Briefly state how the shortage or excess in human resources has been affected to the performance of the institute	55
6.3	Human Resource Development	55
7	Compliance Report	60

Chapter 01

Institutional Profile / Executive Summary

1. Institutional Profile/ Executive Summary

1.1 Introduction

The main responsibilities of the Department of Fiscal Policy are formulation and implementation of fiscal policy within the broad developmental framework of the government in consultation with line ministries, relevant institutions and the private sector to achieve desired economic and social outcomes for the country.

The Department is mainly responsible for the taxation policy of the country as well as analyzing the revenue, expenditure and financing activities, and the domestic and global macroeconomic development to facilitate appropriate adjustments in the country's fiscal policy to achieve desired outcomes.

1.2 Vision and Mission

Vision

'To Ensure the Establishment of a Sustainable Fiscal Policy Framework'

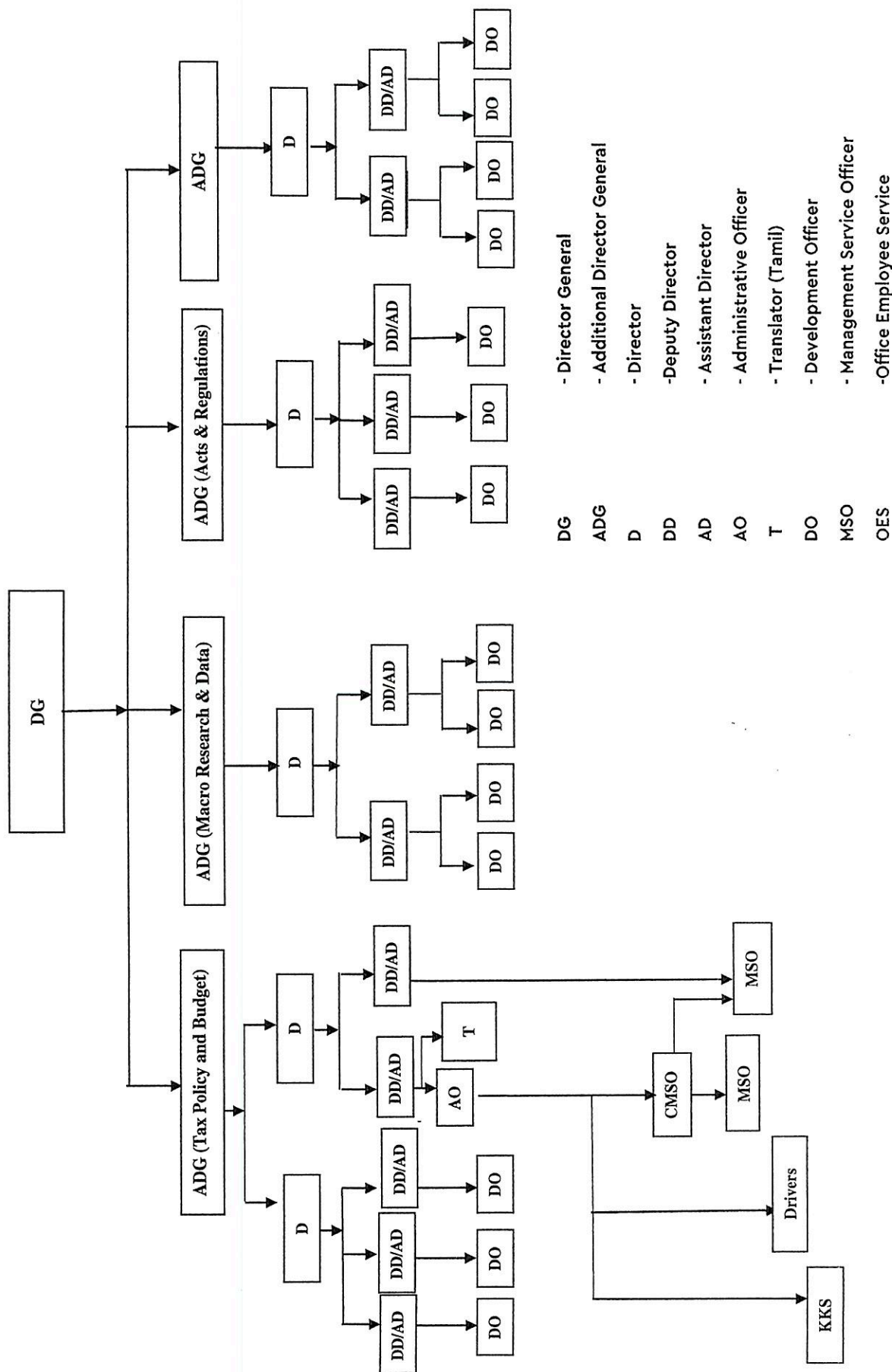
Mission

Formulation and Implementation of Fiscal Policies within the Broad Developmental Framework of the Government

1.3 Scope and Functions

- Formulation and implementation of Fiscal Policy and Medium Term Fiscal Strategy by coordinating public, private and international agencies.
- Formulation of Tax Policy and related statutes other than the Customs Duty and the Special Commodity Levy.
- Management and review of Fiscal Out-turn and Fiscal Performance.
- Maintenance of proper coordination with all departments engaged in revenue collection, implementation of national budget and finance.
- Handle works related to the amendments of legislation in relation to revenue as per the policy decisions taken by the government from time to time.
- Implementation of requirements under the Fiscal Management (Responsibilities) Act, No.3 of 2003 including Reporting.
- Undertake analysis/research on various fiscal and macroeconomic matters, with the assistance of the Macro Fiscal Unit (MFU).
- Implementation of budget proposals, and amendment of Acts and preparing gazettes.

1.4 Organizational Structure



Chapter 02

Progress, challenges and Goals

2.1 Overview

In 2024, improved performance of the fiscal sector with a reporting of primary surplus for two consecutive years has mainly contributed to the economic stability in Sri Lanka after the economic crisis erupted in 2022. Widening the fiscal deficit has been a primary cause of the economic crisis due to government tax revenue declining to historic and global lows of 7.3 percent of GDP in 2022. The fiscal space has further expanded with a primary surplus of Rs. 649.6 billion or 2.2 percent of GDP in 2024 from Rs. 173.3 billion or 0.6 percent of GDP in 2023, benefiting from the continued rigorous revenue enhancement and expenditure rationalization efforts by the government. The primary surplus in 2024 has exceeded the Rs. 300 billion surplus target set under the IMF-EFF programme.

In 2024, the total government revenue including grants, demonstrated a notable increase in both nominal and as a percentage of GDP terms reflecting the positive yields of revenue enhancement efforts, strengthening tax administration, and the revival of economic activities commenced since the latter part of 2023. As such, the total revenue and grants reached 99.1 percent of the annual estimate in 2024, which was a historic high in Sri Lanka's fiscal history. In nominal terms, the total government revenue including grants increased by 33.1 percent to Rs. 4,090.8 billion in 2024 from Rs. 3,074.3 billion in 2023. The government revenue excluding grants increased by 32.2 percent to Rs. 4,030.8 billion in 2024 from Rs. 3,048.8 billion in 2023.

In the same vein, government revenue including grants as a percentage of GDP increased to 13.7 percent in 2024 from 11.2 percent in 2023 surpassing the annual estimate by 0.6 percentage points. This increase was mainly attributable to the increase in the tax revenue to GDP ratio by 2.5 percentage points to 12.4 percent of GDP, amidst the decline in non-tax revenue by 0.1 percentage points. The tax revenue to GDP ratio in 2024 exceeded the envisaged annual estimate of 12.1 percent for 2024 by 0.3 percentage points. It was higher than the five-year pre-pandemic average of 11.4 percent recorded between 2015 and 2019. The increase of tax to GDP ratio in 2024 was due to the materialization government's fiscal policy reforms including efforts to broaden the tax base, improve compliance and revenue administration, the 2.2 percentage point increase in revenue collection from tax on goods and services and recovery of economic activities. Revenue excluding grants as a percentage of GDP increased by 2.4 percentage points to 13.5 percent in 2024 from 11.1 percent in 2023 surpassing the envisaged annual estimate of 13.0 percent for 2024 by 0.5 percentage points.

For the first time in history, revenue from Income Tax surpassed the Rs. 1 trillion in 2024, reaching Rs. 1,026.2 billion from Rs. 911.4 billion in 2023. This achievement reflects a year-on-year growth of 12.6 percent and the realization of 95.0 percent of the annual revenue estimate for 2024, marking a significant milestone in the country's revenue mobilization efforts. This strong performance was largely driven by a comprehensive set of tax policy reforms introduced with effect from January 1, 2023, which significantly broadened the income

Table 2.1 | Summary of Government Revenue

	Item	2021	2022	2023	2024 ^(a)
Rs. Million					
Total Revenue and Grants		1,463,810	2,012,589	3,074,324	4,090,808
Total Revenue		1,457,071	1,979,184	3,048,822	4,030,838
Tax Revenue		1,298,019	1,751,132	2,720,563	3,704,577
Income Tax		302,115	534,021	911,355	1,026,199
Taxes on Goods and Services		646,068	875,995	1,420,089	2,200,890
Taxes on External Trade		349,836	341,116	389,118	477,488
Non-Tax Revenue		159,052	228,052	328,259	326,261
Grants		6,740	33,405	25,502	59,970
As a % of GDP					
Revenue and Grants		8.3	8.4	11.2	13.7
Total Revenue		8.3	8.2	11.1	13.5
Tax Revenue		7.4	7.3	9.9	12.4
Non-Tax Revenue		0.9	0.9	1.2	1.1
Grants		0.04	0.1	0.1	0.2

Source: Department of Fiscal Policy
(a) Provisional

tax base and enhanced revenue efficiency. These reforms reflect a strategic shift towards a more progressive, simplified, and enforceable income tax system. The tangible improvement in revenue performance indicates both increased taxpayer compliance and enhanced tax administrative efficiency, while reaffirming the critical role of well-calibrated tax policy in fiscal consolidation. The key reasons driving this achievement were the realization of the full impact of policy changes implemented in 2023 during the year 2024, increased wages in the public and private sectors, and the resumption of economic activities.

Marking a remarkable achievement, revenue from value Added Tax (VAT) increased by 88.6 percent to Rs. 1,309.7 billion in 2024 from Rs. 694.5 billion in 2023, exceeding Rs. 1 trillion for the first time in history. Revenue from VAT accounted for the largest nominal contribution to government revenue in 2024. The revenue from VAT on domestic activities increased by 51.8 percent to Rs. 712.2 billion in 2024 from Rs. 469.1 billion in 2023 and revenue from VAT on imports increased by 165.1 percent to Rs. 597.5 billion in 2024 from Rs. 225.4 billion in 2023. This outperformance was mainly driven by the upward revision in the VAT rate, the reduction in the VAT registration threshold, and the removal of a vast majority of VAT exemptions with effect from January 1, 2024 and the gradual removal of import restrictions. Despite strong growth of revenue from VAT, the achievement represented only 93.5 percent

of the annual estimate for 2024, indicating that while performance was strong, there remains some scope for further improvement in revenue collection efficiency. The exceptional increase in revenue from VAT indicates positive impacts of the widening of VAT base stemming from broader macroeconomic recovery and improved consumption trends, with the increase in salaries in both the public and private sectors. The revenue from the Social Security Contribution Levy (SSCL) increased by 16.0 percent to Rs. 250.9 billion in 2024 from Rs. 216.2 billion in 2023 mainly due to the reduction of registration threshold to Rs. 60 million per annum from Rs. 120 million per annum with effect from January 01, 2024 and increase of imports.

The revenue from excise duty as a percentage of GDP increased to 2.0 percent of GDP in 2024 from 1.7 percent in 2023 owing to the increased revenue from all excisable items except for cigarettes with a slight drop. Revenue collected from excise duty on petroleum products increased owing to the net increase in importation of all types of Petrol and Diesel and increase in refined petroleum imports. Improved revenue from excise duty on motor vehicles with the expansion of motor vehicle imports under certain schemes and increase in revenue from excise duty on liquor with the realization of the impact of excise duty rate revisions and the indexation of excise duty to inflation contributed largely to the excise revenue.

Box 2.1 | Major Tax Administrative Measures Implemented in 2024 and the Way Forward

Sri Lanka's key revenue collecting agencies i.e., Inland Revenue Department (IRD), Sri Lanka Customs (SLC), and the Excise Department (ED) undertook major administrative reforms to enhance revenue mobilization, compliance, transparency and reduce corruption vulnerabilities. Key measures implemented in 2024 include:

Inland Revenue Department:

- **Initiation of Criminal Investigations** in line with recommendations from the International Monetary Fund (IMF) and commitments under international Anti-Money Laundering and Counter-Terrorist Financing agreements, the Inland Revenue Department (IRD) initiated criminal investigations into tax-related offenses.
- **Introduced a Simplified Individual Income Tax Return form** for the Year of Assessment 2023/2024 for individuals with only employment and interest income.
- **Expanded the Risk Management Unit** by shifting its audit selection methodology to a risk-based approach to enhance efficiency and effectiveness in tax compliance monitoring.
- **Initiated the Exporter Refund Unit** to expedite VAT refunds for exporters following the abolition of the SVAT system in October 2023, the Inland Revenue Department (IRD) has established a dedicated unit to handle these refunds.
- **Establishment of a dedicated Criminal Investigation Unit** on January 20, 2025, to enhance enforcement capabilities.

Box 2.1 | Major Tax Administrative Measures Implemented in 2024 and the Way Forward contd...

- **Establishment of an Internal Affairs Unit** on March 20, 2025, to oversee internal processes, replacing some functions of the Human Resource Management Unit and aligning with international best practices in governance and accountability.

Way forward:

To further strengthen tax administration and improve compliance, the IRD is advancing several strategic initiatives. The Risk Management Unit is being enhanced to boost its operational capacity and analytical capabilities, reinforcing its role in audit and refund operations. To streamline the export refund process, two specialized units—the Export Refund Verification Unit and the Export Refund Processing Unit—have been established. In preparation for a surge in refund claims due to the repeal of the SVAT scheme, a risk-based VAT refund processing system is being developed to ensure accurate and timely disbursements. Additionally, a comprehensive VAT compliance improvement program is in progress to facilitate the transition to mandatory e-filing of VAT returns by July 1, 2025, ahead of the formal repeal of SVAT on October 1, 2025. Simultaneously, an income tax compliance improvement program is being implemented to address the growing number of newly registered taxpayers since 2024.

Sri Lanka Customs:

- **Launched a Strategic Plan 2024–2028**, supported by an Actionable Action Plan and monitoring system, to address institutional gaps and ensure sustained improvements in tax administration, trade facilitation, and enforcement.
- **Established an Internal Affairs Unit** under the supervision of the Director General, in line with IMF recommendations, to enhance institutional integrity and accountability by investigating complaints of misconduct, corruption, and unethical practices within Sri Lanka Customs.
- **Revised the Senior Management Transfer Policy** to strategically align leadership roles with institutional priorities, enhancing operational efficiency and improving revenue performance through the principle of placing the "Right Man at the Right Job at the Right Time".
- **Launched the "80-Day Excellence Program"** to drive organizational performance through weekly reporting by key directorates, fostering constructive competition, accelerating backlog clearance, and significantly boosting overall revenue collection.
- **Revised risk management criteria** to enhance revenue protection by effectively targeting high-risk consignments while promoting trade facilitation and operational efficiency for compliant traders.
- **Enhanced monitoring of container cargo examinations**, resulting in a higher "hit rate" for detecting non-compliant imports and generating increased additional revenue.
- **Adopted a strategic, performance-driven, and risk-responsive approach** to tax administration, reflecting a strong institutional commitment to maximizing revenue while facilitating legitimate trade.

Way forward:

The focus will shift to deepening reforms and embedding a culture of performance and accountability in revenue administration. Implementation of the Strategic Plan 2024–2028 will be prioritized, with strong monitoring of the Action Plan. Risk-based enforcement and data-driven decision-making will be enhanced to improve compliance and trade facilitation. Human resource capacity and the use of modern technology will be strengthened. These measures aim to build a transparent, resilient, and high-performing tax administration. The Budget 2025 proposed to introduce a new Customs Act, replacing the Customs Ordinance to align the customs procedures with international best practices and facilitate smooth external trade. As part of this modernization, traditional face-to-face document evaluations conducted in the Customs "long rooms" will be replaced with a digital and faceless verification system through the ASYCUDA platform.

Excise Department:

- **Initiated the implementation of a proposed revenue administration system** by identifying relevant government institutions for data exchange, preparing a Schedule of Requirements (SOR), and appointing a specialist consultant to oversee the project execution.

Box 2.1 | Major Tax Administrative Measures Implemented in 2024 and the Way Forward contd...

- **Enhanced supervision of licensed excise premises across the country**, leading to increased revenue through enforcement of license conditions, legal action, and penalties on illicit alcohol and drug-related offenses.
- **Implemented a 100-day special enforcement program (from 20.05.2024 to 27.08.2024)** to curb the production and use of illicit alcohol and drugs at household and commercial levels, aiming to reduce the circulation of non-standard liquor and increase revenue through enforcement actions.
- **Launched the 24-hour hotline 1913** to strengthen public engagement and prioritize citizen complaints, supporting enforcement actions that contribute to increased revenue collection.
- **Established a central laboratory** to uphold stringent quality controls on alcoholic beverages, thereby facilitating market entry of compliant products and enhancing revenue through improved regulation enforcement.
- **Established a risk management unit** to identify, assess, and mitigate risks associated with excise revenue collection, thereby improving revenue integrity, minimizing losses, and enhancing overall revenue management efficiency.
- **Established a Financial Intelligence Unit (FIU)** to enhance financial oversight and support the detection and prevention of revenue-related fraud and illicit activities.
- **Set up an Internal Affairs Unit (IAU) and a Complaints Management and Investigation** to strengthen internal controls, improve transparency, and ensure efficient handling of grievances, thereby safeguarding revenue collection processes.
- **Strengthen the Security Features and Security Features Management** to protect excise revenue by preventing the circulation of counterfeit products and ensuring the authenticity of excisable goods in the market.

Way forward:

The Excise Department will focus on strengthening tax administration by amending the Tobacco Tax Act and issuing excise notifications to re-register all beedi manufacturers, ensuring proper tax collection. Security features on liquor bottles will be improved by updating sticker designs and colors, complemented by new software to detect counterfeit stickers and reduce fake products in the market. Targets will be set for excise officers with monthly reviews to boost revenue through enhanced audits. Legal amendments will enable the suspension of licenses and production for defaulters, supporting the recovery of outstanding taxes. Additionally, practical waste percentages will be introduced via excise notifications to improve tax management related to wastage. Further, a service provider will be selected through a tender to develop the Revenue Administration System for Excise Department (RASED) system software and establish online integration with other government agencies, further enhancing efficiency and coordination.

Revenue from taxes on external trade increased to 1.6 percent of GDP in 2024 from 1.4 percent of GDP in 2023 with the contributions from Ports and Airports Development Levy (PAL), Special Commodity Levy (SCL), Customs Import Duty (CID) and CESS. Revenue collected from SCL outperformed. The revenue from SCL increased by 124.4 percent to Rs. 115.2 billion in 2024 from Rs. 51.3 billion in 2023, surpassing the annual estimate of 2024 by 21.5 percentage points. This was mainly due to the upward revision of duty rates on sugar and potatoes, relaxation of import restrictions, targeted policy adjustments and increased demand with economic recovery.

Revenue from non-tax decreased by 0.6 percent to Rs. 326.3 billion in 2024 from Rs. 328.3 billion in 2023 mainly due to the reduction of receipts of profits and dividends from state owned enterprises by 46 percent in 2024.

2.2 Tax Policy Reforms

In 2024, Sri Lanka experienced the full-year revenue impact of major income tax reforms that had been introduced with effect from January 1, 2023. These reforms marked a significant shift in tax policy, aimed at enhancing revenue generation and addressing fiscal imbalances. The changes included the broadening of the tax base, revision of personal income tax thresholds and rates, and strict enforcement measures. As a result, 2024 witnessed a substantial increase in income tax collections, reflecting improved compliance and the cumulative effect of the policy adjustments implemented in the previous year.

In addition to the income tax measures introduced in 2023, in the year 2024 brought comprehensive reforms to the VAT, the Social

Table 2.2 | AIT/WHT Rates

Category	Rate (%)	Final/Non-Final
Dividend	15	Final
Interest or discount paid	5	Non-Final
Rent payment exceeding Rs. 100, 000 per month	10	Non-Final
Service Payments exceeding Rs. 100,000 made to individuals such as professionals	5	Non-Final
In all other cases	14	Non-Final

Source: Department of Fiscal Policy

Security Contribution Levy (SSCL), and excise duties. The standard VAT rate was increased from 15 percent to 18 percent, while the vast majority of VAT exemptions were removed. The VAT registration threshold was also reduced from Rs. 80 million to Rs. 60 million per annum, significantly expanding the tax base. Similarly, the SSCL registration threshold was lowered from Rs. 120 million to Rs. 60 million per annum, thereby increasing the number of liable entities and enhancing revenue potential. Excise duty

rates on liquor and cigarettes were inflation-adjusted.

Due to the comprehensive VAT policy reforms introduced with effect from January 1, 2024, VAT emerged as the single largest contributor to government revenue in 2024. Revenue from VAT increased by 88.6 percent to Rs. 1,309.7 billion, surpassing Rs. 1 trillion for the first time in history and outpacing income tax collections. These reforms not only broadened the VAT base but also enhanced the efficiency of VAT collection.

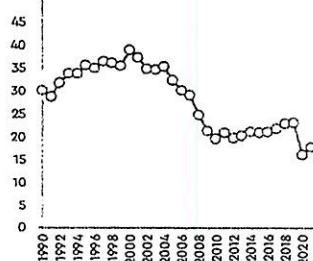
Excise duty reforms were also introduced with a focus on inflation indexation. Excise duties on all varieties of liquor and excise duties on all other excisable goods with unit rates, were increased by 14 percent. These measures aimed to ensure that excise revenue kept pace with price movements while contributing to broader fiscal consolidation efforts. Together these tax policy reforms supported a stronger revenue performance in 2024 and marked a continued commitment to sustainable public finance management.

Box 2.2 | National Tariff Policy of Sri Lanka

Sri Lanka is the first mover to adopt an export-led open economic policy framework, including trade and financial liberalization, to develop its economy towards prosperity in the South Asian region. Despite benefiting from its open economic policy, Sri Lanka has failed to sustain its export-led growth trajectory due to economic policy changes in line with the social and political ideologies of the government in power, which ultimately led to the reversal of economic policies in Sri Lanka.

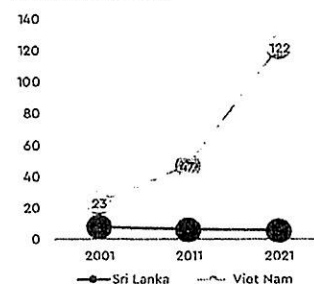
The existing tariff regime in Sri Lanka is an "Anti-Export Bias Duty Regime" which is not capable to incentivize enterprises to exports. As a share of GDP, the export value of Sri Lanka declined to 18 percent in 2021 from 39 percent in 2000, which is a lower level of export performance among the middle-income countries. In 2000, Sri Lanka accounted for a sum of USD 8 out of every USD 10,000 worth of world total exports of goods. This share of exports had fallen to a mere USD 5 in 2021 due to various factors including economic policy reversal, where, Vietnam had increased its world export market share from USD 23 to USD 123 over the same period.

Sri Lanka's Exports of Goods and Services as a Percentage of GDP



Source: World Development Indicators

Global Market Shares (Exports Per USD 10,000 of World's Exports)



Box 2.2 | National Tariff Policy of Sri Lanka contd...

In this context, under the guidance and expertise of the World Bank, the National Tariff Policy of Sri Lanka has been introduced aiming at the transparent and affordable tariff regime to transform Sri Lanka into a competitive trade and investment destination in the region.

By implementing the National Tariff Policy, it is expected to unleash untapped export potential of merchandise and address macroeconomic imbalances by (i) reducing anti-export bias of the existing tariff regime by rationalizing import duties and reducing their cascading effects, (ii) removing complexity and uncertainty of the existing tariff regime, (iii) ensuring transparency and predictability of tariff regime, (iv) identifying potentially affected sectors/ industries and providing time-bound support to stabilize and grow while reskilling the displaced workers (v) reduction or removal of duties and taxes on importation of raw materials, intermediate and capital goods; (vi) gradually phasing out import duty exemption or concession to ensure the level playing field and improve competitiveness of domestic enterprises and reduce tax expenditure.

Accordingly, the Cabinet of Ministers has granted approval by its decision dated June 11, 2024 for the Cabinet Memorandum No. 24/1072/604/114 dated May 31 2024, for the "The National Tariff Policy of Sri Lanka".

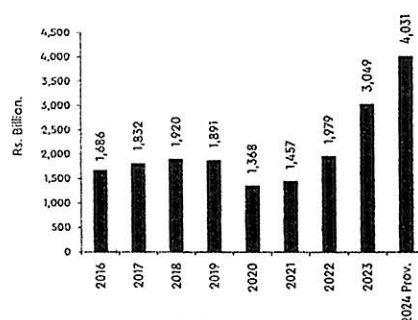
In order to operationalize the National Tariff Policy, Terms of Reference (ToR) for the National Tariff Policy Committee was submitted to the Cabinet of Ministers by the Cabinet Paper No. 25/0441/304/054 dated March 10, 2025 and the Cabinet of Ministers has granted approval by its decision dated March 17, 2025 for the same. Accordingly, the National Tariff Policy Committee was established on May 15, 2025 in order to implement the National Tariff Policy.

2.3 Government Revenue Performance

The total Government revenue including grants significantly increased by 33.1 percent to Rs. 4,090.8 billion from Rs. 3,074.3 billion in 2023. Despite the marginal reduction of non-tax revenue, tax revenue increased notably by 36.2 percent to Rs. 3,704.6 billion in 2024 from Rs. 2,720.6 billion recorded in 2023.

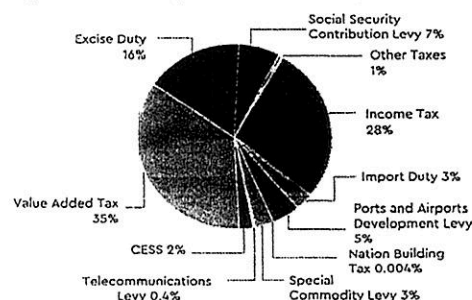
The tax revenue to GDP ratio significantly increased by 2.5 percentage points to 12.4 percent in 2024 from 9.9 percent in 2023, primarily due to notable increases in revenue from VAT by 1.8 percentage points to 4.4 percent of GDP in 2024 from 2.5 percent GDP in 2023, reflecting the increase of the VAT rate together with reduction of VAT registration threshold and removal of vast majority of exemptions. In nominal terms, increase of excise duty by 2.4 percent to Rs. 598.5 billion in 2024 from Rs. 469.6 billion in 2023 due to increase of duty rates with implementation of the inflation-adjusted indexation and increase of SSCL by 16.0 percent to Rs. 250.9 billion in 2024 from Rs. 216.2 billion in 2023 owing to reduction of the tax-free threshold were substantially contributed to expansion of the tax revenue. Benefiting from the above tax policy changes, the revenue from domestic consumption-based taxes increased by 33.5 percent to Rs. 1,238.6 billion in 2024 from Rs. 927.5 billion in 2023.

Figure 2.1 | Government Revenue



Source: Department of Fiscal Policy

Figure 2.2 | Composition of Tax Revenue - 2024



Source: Department of Fiscal Policy

Table 2.3 | Estimated and Actual Revenue – 2024

	Item	Estimate	Actual ^(a)	Rs. Million Deviation
Total Revenue		4,107,000	4,030,838	-76,161
Tax Revenue		3,820,000	3,704,577	-115,423
Department of Inland Revenue				
Tax on Income and Profit		1,080,000	1,025,998	-54,002
VAT – Domestic (Net)		740,000	712,187	-27,813
Nation Building Tax (Domestic)		–	130	130
Social Security Contribution Levy (Domestic)		195,000	186,477	-8,523
Other		9,443	13,043	3,600
Sub Total		2,024,443	1,937,833	-86,609
Department of Customs				
Import Duty		175,000	111,147	-63,853
VAT – Imports (Net)		660,000	597,493	-62,507
Nation Building Tax (Import)		–	8	8
Social Security Contribution Levy (Import)		55,000	64,392	9,392
PAL		175,000	170,014	-4,986
Cess Levy		60,000	81,129	21,129
Special Commodity Levy & Other		95,200	115,667	20,467
Excise Special Provisions				
Cigarettes		143,000	117,145	-25,855
Petroleum		135,000	200,200	65,200
Motor Vehicles & other		35,000	66,601	31,601
Sub Total		1,533,200	1,523,794	-9,406
Department of Excise				
Liquor/Tobacco		232,000	214,584	-17,416
Sub Total		232,000	214,584	-17,416
Other				
Telecommunication Levy		18,500	15,927	-2,573
License Tax & Other		11,857	12,438	581
Sub Total		30,357	28,366	-1,991
Non – Tax Revenue		287,000	326,261	39,261

Source: Department of Fiscal Policy

^(a) Provisional

Revenue from import-based taxes significantly grew by 66.0 percent to Rs. 1,398.1 billion in 2024 from Rs. 842.2 billion in 2023 mainly due to the increase in revenue from VAT on imports by 165.1 percent and revenue from SCL by 124.4 percent.

Non-tax revenue marginally declined by 0.6 percent in 2024 compared to 2023 due to the combined effect of the decline in revenue from profits and dividends despite the increase in revenue from interest income and fines, fees and charges.

Income Tax

Revenue from Income Tax increased by 12.6 percent to Rs. 1,026.2 billion in 2024 from Rs. 911.4 billion in 2023. The realization of Income Tax revenue was 95.0 percent of the annual estimate for 2024. Income Tax as a percentage of GDP increased by 0.1 percentage points to 3.4 percent in 2024 from 3.3 percent in 2023. Revenue from personal and corporate taxes increased by 14.5 percent to Rs. 862.2 billion in 2024 from Rs. 753.2 billion in 2023. This was

mainly due to an increase in Advance Personal Income Tax (APIT)/Pay-As-You-Earn (PAYE) receipts by 36.3 percent to Rs. 197.6 billion and non-corporate income receipts by 65.8 percent to Rs. 80.5 billion in 2024 compared to the previous year. This reflects the increase in revenue from the impact of broadening the tax base by reduction in the tax-free threshold for personal income tax from Rs. 3.0 million per annum to Rs. 1.2 million per annum with effect from January 01, 2023. The expansion of the highest progressive tax rate from 18 percent to 36 percent of taxable income also contributed positively to the above revenue growth. Revenue from Withholding Tax (WHT) increased by 3.7 percent to Rs. 163.8 billion in 2024 from Rs. 157.9 billion in 2023, and it was a realization of 102.4 percent of the annual estimate for 2024 despite the existence of a lower interest rate regime especially in the second half of the respective year. However, revenue generated from Capital Gain Tax declined to Rs. 1.9 billion in 2024 from Rs. 2.7 billion in 2023 owing to the stagnant condition of real estate performance.

Table 2.4 | Government Revenue

Rs. Million

Item	2020	2021	2022	2023	2024 ^(a)
Tax Revenue	1,216,542	1,298,019	1,751,132	2,720,563	3,704,577
Income Tax	268,249	302,115	534,021	911,355	1,026,199
VAT	233,786	308,213	463,072	694,460	1,309,680
Nation Building Tax	2,351	434	413	328	137
Excise Duty*	321,970	306,898	342,563	469,622	598,529
Import Duties	114,183	64,339	50,009	105,120	111,147
Ports & Airports Development Levy	115,442	154,125	180,595	175,486	170,014
Special Commodity Levy	82,709	55,828	40,194	51,327	115,199
Social Security Contribution Levy	-	-	36,111	216,181	250,869
Other	77,852	106,067	104,154	96,683	122,804
Non-Tax Revenue	151,417	159,052	228,052	328,259	326,261
Interest/ Rent	19,351	11,556	13,188	33,231	64,192
Profit and Dividends	17,624	30,591	28,092	75,701	41,080
Fines, fees & charges	47,370	42,645	90,050	146,566	154,731
Social Security Contribution	32,417	34,619	37,416	36,258	43,089
Central Bank Profit Transfers	24,009	15,012	30,007	1,029	-
Other	10,646	24,630	29,300	35,474	23,170
Total Revenue	1,367,960	1,457,071	1,979,184	3,048,822	4,030,838
As a % of GDP					
Tax Revenue	7.8	7.4	7.3	9.9	12.4
Income Tax	1.7	1.7	2.2	3.3	3.4
VAT	1.5	1.7	1.9	2.5	4.4
Nation Building Tax
Excise Duty*	2.1	1.7	1.4	1.7	2.0
Import Duties	0.7	0.4	0.2	0.4	0.4
Ports & Airports Development Levy	0.7	0.9	0.8	0.6	0.6
Special Commodity Levy	0.5	0.3	0.2	0.2	0.4
Social Security Contribution Levy	-	-	0.2	0.8	0.8
Other	0.5	0.6	0.4	0.4	0.4
Non-Tax Revenue	1.0	0.9	0.9	1.2	1.1
Interest/ Rent	0.1	0.1	0.1	0.1	0.2
Profit and Dividends	0.1	0.2	0.1	0.3	0.1
Fines, Fees & Charges	0.3	0.2	0.4	0.5	0.5
Social Security Contribution	0.2	0.2	0.2	0.1	0.1
Central Bank Profit Transfers	0.2	0.1	0.1
Other	0.1	0.1	0.1	0.1	0.1
Total Revenue	8.7	8.3	8.2	11.1	13.5

Source: Department of Fiscal Policy

^(a) Provisional

... Negligible

- not available

* Tobacco Tax has been included to Excise Duty

Value Added Tax

In nominal terms, revenue from VAT recorded a substantial year-on-year increase of 88.6 percent, rising to Rs. 1,309.7 billion in 2024 from Rs. 694.5 billion in 2023. This remarkable growth was driven by significant increases in VAT collections from both domestic economic activities and imports. Revenue from VAT on domestic activities

increased by 51.8 percent to Rs. 712.2 billion in 2024, from Rs. 469.1 billion in 2023. Revenue from VAT on imports increased by 165.1 percent to Rs. 597.5 billion from Rs. 225.4 billion in 2023. Despite this considerable revenue gain from VAT, the full revenue potential of VAT on imports has not been fully realized, as the majority of import restrictions remained in place throughout most of 2024.

Table 2.5 | Value Added Tax Revenue

Rs. Million

Item	2019	2020	2021	2022	2023	2024 ^(a)
Domestic	275,089	150,823	185,918	292,293	469,768	712,326
Imports	169,914	85,727	122,766	171,478	225,401	598,048
Gross Revenue	445,003	236,550	308,684	463,771	695,169	1,310,374
Refunds	1,126	2,764	471	699	709	694
Net Revenue	443,877	233,786	308,213	463,072	694,460	1,309,680
Net Revenue as a % of GDP	2.8	1.5	1.7	1.9	2.5	4.4

Source: Department of Fiscal Policy

^(a) Provisional

Table 2.6 | Government Tax Revenue - By Source

Source	Rs. Million		
	2023	2024 ^(a)	2023/2024 Change (%)
Income Tax	911,355	1,026,199	12.6
Domestic Consumption Based Taxes	927,544	1,238,560	33.5
VAT - Domestic	469,107	712,187	51.8
NBT - Domestic	68	130	90.3
SSCL - Domestic	164,915	186,477	13.1
Tax on Liquor	170,260	213,390	25.3
Tax on Cigarettes /Tobacco	118,481	118,339	-0.1
Other (Excise)	4,713	8,039	70.6
Import Based Taxes	842,164	1,398,143	66.0
Import Duties	105,120	111,147	5.7
VAT - Import	225,353	597,493	165.1
NBT - Import	260	8	-97.1
SSCL - Import	51,265	64,392	25.6
PAL	175,486	170,014	-3.1
SCL	51,327	115,199	124.4
Cess Levy	57,184	81,129	41.9
Petroleum - Excise	143,642	200,200	39.4
Motor Vehicles - Excise	32,526	58,562	80.0
Licence and Other	39,500	41,675	5.5
Telecommunications Levy	17,304	15,927	-8.0
Other	22,195	25,748	16.0
Total Tax Revenue	2,720,563	3,704,577	36.2

Source: Department of Fiscal Policy

^(a) Provisional

Improvements in tax administration helped to enhance VAT compliance. The number of VAT registered entities including those in the financial services sector, increased by 52.5 percent to 21,542 in 2024 from 14,128 in 2023. By the end of February 2025, the number of registered VAT payers had further risen to 22,043, with the improvement in efforts to broaden the tax base. Benefiting from these developments, VAT revenue as a share of total tax revenue increased notably by 38.8 percentage points, to 35.4 percent in 2024 from 25.5 percent in 2023. The VAT revenue as a percentage of GDP increased significantly to 4.4 percent in 2024 from 2.5 percent in 2023, highlighting the growing importance of VAT in fiscal consolidation efforts.

Social Security Contribution Levy (SSCL)

With effect from January 1, 2024, the liable turnover threshold for mandatory SSCL registration was reduced from Rs. 120.0 million per annum to Rs. 60.0 million per annum. Accordingly, the SSCL is charged at the rate of 2.5 percent on liable turnover from importers, manufacturers, service providers and wholesalers and retailers, whose turnover exceeds Rs. 60.0 million per annum with effect from January 01, 2024. This policy

change expanded the tax base by bringing more businesses under the levy. The revenue from SSCL increased to Rs. 250.9 billion in 2024 from Rs. 216.2 billion in 2023. The number of persons registered for SSCL increased notably to 12,097 in 2024 from 8,107 in 2023 owing to the downward revision of the registration threshold.

Excise Duty

Total revenue from Excise Duty recorded a notable growth of 27.4 percent in 2024 compared to 2023, reflecting stronger performance across several key excisable categories. This increase was largely driven by higher revenue collections from liquor, petroleum products, and motor vehicles, supported by the full-year impact of excise duty rate revisions implemented in 2023 and the introduction of inflation-adjusted indexation for excisable articles effective from January 1, 2024.

Revenue from excise duty on petroleum products increased significantly by 39.4 percent, rising to Rs. 200.2 billion in 2024 from Rs. 143.6 billion in 2023. This notable increase was mainly attributable to the full impact of rate revisions in 2023 and the increased importation of refined petroleum products during the period.

Table 2.7 | Excise Duty Revenue

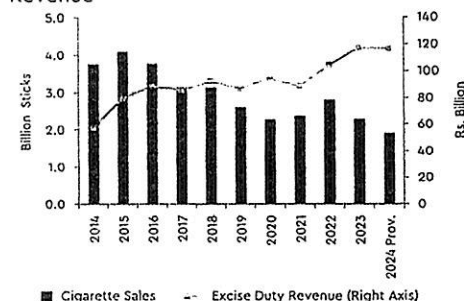
Item	2019	2020	2021	2022	2023	2024 ^(a)
Liquor	115,443	120,990	138,637	165,188	170,260	213,390
Cigarettes/Tobacco	87,400	94,383	88,576	104,200	118,481	118,339
Motor Vehicles	130,378	48,760	18,113	14,504	32,526	58,562
Petroleum Products	61,740	53,111	55,339	53,074	143,642	200,200
Other	4,549	4,727	6,234	5,598	4,713	8,039
Total	399,511	321,970	306,898	342,563	469,622	598,529

Source: Department of Fiscal Policy

^(a) Provisional

However, revenue from cigarettes declined slightly by 0.3 percent to Rs. 117.1 billion in 2024 from Rs. 117.5 billion in 2023. This decline was attributable to a contraction in sales volume or shifts in consumption behaviour between four-tier categories of cigarettes. Revenue from excise duty on motor vehicles recorded a significant increase of 80.0 percent to Rs. 58.6 billion in 2024 from Rs. 32.5 billion in 2023. This growth was primarily driven by the relaxation of temporary import restrictions on certain categories of motor vehicles and for specific sectors.

Figure 2.3 | Cigarette Sales and Excise Duty Revenue



Source: Department of Fiscal Policy and Sri Lanka Customs

Box 2.3 | Resumption of Motor Vehicle Importation in Sri Lanka

After nearly five years of stringent temporary import restrictions, the resumption of motor vehicle imports began with the removal of restrictions on public passenger transport vehicles and special-purpose vehicles on December 18, 2024. This was followed by the lifting of restrictions on commercial vehicle imports on January 27, 2025, and subsequently, the removal of restrictions on all categories of vehicles, including personal vehicles, on January 31, 2025.

The import restrictions, initially imposed in March 2020, formed part of a broader package of emergency measures introduced to manage the country's severe balance of payments crisis and conserve foreign exchange reserves amidst an external sector shock.

The decision to resume vehicle imports was underpinned by signs of macroeconomic stability including improvements in gross official reserves, a narrowing trade deficit, and steady progress made under the IMF-supported Extended Fund Facility (EFF) programme. Recognizing the potential implications to the external sector, the Government adopted a phased and tightly regulated approach to mitigate the possible associated risks.

The lifting of the vehicle ban was strategically aligned with the Government's fiscal objective of mobilizing approximately 1.3 percent of GDP in tax revenue from motor vehicle imports in 2025 with the caution approach on the reserve position of the country.

To support this revenue objective, a series of fiscal and regulatory measures were implemented in 2025:

- Excise Duty, which is charged on a unit rate basis (in rupee terms) for motor vehicles, increased by 5.9 percent based on inflation-adjusted indexation, with effect from January 11, 2025.

Box 2.3 | Resumption of Motor Vehicle Importation in Sri Lanka contd...

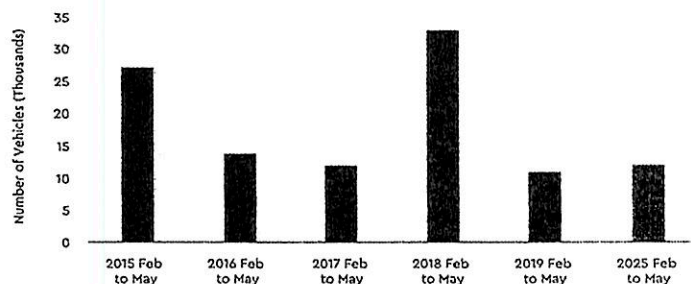
- A Customs Import Duty (CID) of 20 percent was imposed on motor vehicles, along with a surcharge of 50 percent on the CID resulting in a combined effective rate of 30 percent with effect from February 1, 2025.
- The Luxury Tax on Motor Vehicles threshold, originally introduced in 2019, increased by Rs. 1.5 million for each fuel-based vehicle category excluding electric vehicles with effect from February 1, 2025.
- The Excise (Special Provisions) Duty on electric vehicles (EVs) was doubled, with effect from February 1, 2025, while the overall tax burden on EVs remained lower than that of internal combustion engine (ICE) vehicles, continuing to support environmentally sustainable transport solutions.
- Imported vehicles are required to be registered within 90 days of importation. Non-compliance results in a penalty of 3 percent of the CIF value per month, capped at 45 percent.
- A Taxpayer Identification Number (TIN) is mandatory for the registration of motor vehicles to strengthen compliance and traceability.

The current tax structure applicable to imported motor vehicles comprises a combination of duties and levies designed to generate revenue and align with broader policy objectives. Key taxes include:

- Excise (Special Provisions) Duty
- Customs Import Duty (CID) at 20 percent
- Luxury Tax on Motor vehicles (LTMV) exceeding specified thresholds (varies by fuel type)
- Ports and Airports Development Levy (PAL) and Social Security Contribution Levy (SSCL), applicable only to vehicles not subject to Excise Duty
- Value Added Tax (VAT) at 18 percent
- Surcharge of 50 percent on CID
- Vehicle Entitlement Levy (on applicable categories)

From 2014 to 2023, taxes on motor vehicles were administered under a composite excise duty regime. Following tax reforms, the structure was disaggregated into multiple components. Nevertheless, excise duty remains the principal source of revenue from motor vehicle imports.

Comparison of Motor Car Imports: February-May 2015-2019 vs. February-May 2025



As per the Statistics Division of Sri Lanka Customs, a total of approximately 49,541 motor vehicles, including 14,047 motor cars, were released from customs during the period from December 18, 2024, to June 3, 2025, contributing Rs. 149.1 billion to government tax revenue. This reflects robust performance in revenue mobilization and indicates that the Government is on track to meet its annual revenue targets from motor vehicle imports.

The resumption of motor vehicle imports represents a measured policy shift, carefully balancing the objectives of reviving economic activity, enhancing transport infrastructure, and strengthening government revenue, while maintaining prudent external sector management. This approach supports Sri Lanka's ongoing journey toward macroeconomic stability and sustainable recovery.

Table 2.8 | Production/ Sales and Excise Duty Collection from Liquor and Cigarettes

Year	Quantity Produced / Sold			Excise Duty Revenue		
	Hard Liquor (Liter Mn)	% Change	Malt Liquor (Liter Mn)	% Change	Cigarettes (Mn. Sticks)	% Change
2014	43.9	-0.6	124.5	3.6	3,777	-6.4
2015	51.8	17.9	125.8	1.0	4,116	9.0
2016	55.6	7.3	52.2	-58.5	3,789	-7.9
2017	46.9	-15.5	71.1	36.3	3,149	-16.9
2018	25.3 ^(a)	-46.1	11.4 ^(a)	-84.0	3,150	0.0
2019	24.7	-2.4	19.1	67.9	2,622	-16.8
2020	22.0	-10.9	11.4	-40.4	2,287	-12.8
2021	25.0	13.6	12.5	9.6	2,384	4.3
2022	27.0	8.0	14.1	12.8	2,825	18.5
2023	20.4	-24.3	13.6	-3.5	2,303	-18.5
2024	19.2	-5.8	14.2	4.9	1,923	-16.5

Source: Department of Fiscal Policy, Sri Lanka Customs and Department of Excise

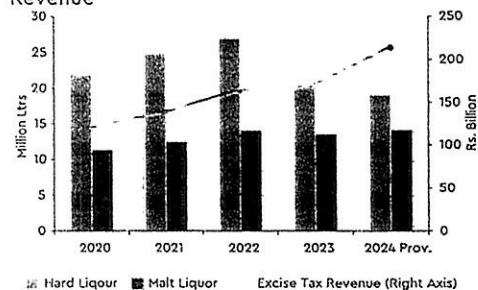
^(a)After 2017, Hard Liquor & Malt Liquor Production is in absolute items

Meanwhile, revenue from excise duty on other excisable items, including sweetened beverages, refrigerators, palm oil, and fatty acids, increased sharply by 70.6 percent, reaching Rs. 8.0 billion in 2024 compared to Rs. 4.7 billion in 2023. This growth was largely attributed to the complete removal of import restrictions on non-essential goods and the application of inflation-adjusted indexation for excisable articles from January 1, 2024. Excise duty secured its position as the third-largest contributor to government revenue by achieving 109.8 percent of the annual estimated revenue in 2024.

The revenue collected from excise duty on liquor increased significantly by 25.3 percent to Rs. 213.4 billion in 2024 from Rs. 170.3 billion in 2023 contributing 35.7 percent to the total excise duty revenue. Excise duties on liquor increased by 14.0 percent with effect from January 01, 2024 as per the policy of inflation indexation of excise taxes. The realization of revenue from taxes on liquor in 2024 was 92.8 percent

However, the production of alcohol declined marginally by 1.2 percent to 33.6 million absolute liters in 2024 from 34.0 million absolute liters in 2023.

Figure 2.4 | Liquor Production and Excise Duty Revenue



Source: Department of Fiscal Policy and Department of Excise

The Security Features and Security Features Management System (tax stamps) was fully implemented by licensed manufacturers and importers commencing from January 03, 2022. However, instances were reported in certain areas of the country where fake/counterfeit stickers were found. This has eroded the estimated revenue to some extent. However, digitalization of the Excise Department is moving forward through the implementation of the Revenue Administration System for Excise Department (RASED).

Table 2.9 | Structure of the Amendment of the Excise Duty on Liquor

Liquor Category	Previous Duty per Absolute Litre (Rs.) (from 01/01/2024)	New Duty per Absolute Litre (Rs.) (From 11/01/2025)
Special Arrack	6,840	7,244
Molasses/ Palmyra/ Coconut Arrack	7,320	7,752
Country made Foreign Liquor	7,525	7,969
Beer (Strength - Less than 5%)	5,415	5,735
Strong Beer (Strength - more than or equal to 5%)	5,680	6,015
Wine	5,415	5,735
Sake	1,480	1,567
Milk Punch	3,760	3,982
Cider	4,105	4,347

Source: Department of Fiscal Policy

Custom Import Duty (CID)

Revenue from Custom Import Duty (CID) increased by 5.7 percent to Rs. 111.1 billion in 2024 from Rs. 105.1 billion in 2023 mainly due to the lifting of import restrictions on most imported goods. The upward adjustment of CID rates from 0, 10, 15 percent to 0, 15, 20 percent with effect from March 29, 2023 also contributed to the growth in

CID revenue, as part of the proposed phasing out of para-tariffs. The highest CID revenue collected from milk and cream not containing added sugar or other sweetening matter, wheat, lubricating oils, wheat grain and petrol having octane number of 95. The realization of revenue collected from CID was 63.5 percent of the annual estimate of Rs. 175.0 billion for 2024.

Box 2.4 | Trade National Single Window System

Sri Lanka, as a signatory to the Trade Facilitation Agreement of the World Trade Organization (WTO – TFA), has agreed to implement the Trade National Single Window System Project under Category 'C' Commitment. The Trade National Single Window System is to facilitate international trade flows by bringing all Regulatory measures and agencies into a single interconnected platform and enabling single entry point to submit all the documents required by traders, who involve in border trade (Imports, Exports and Transshipments), and provide final results automatically through the same platform to the trader in a timely manner.

The Blueprint for the Trade National Single Window System Project in Sri Lanka was developed by the World Bank with the financial support of the Government of Australia. However, the report was submitted to the Ministry of Finance in 2022. Accordingly, the Cabinet of Ministers has granted approval on June 20, 2022 to implement the Project through three (3) stages, namely the Preliminary Stage, Implementation Stage and Operational Stage. As approved by the Cabinet of Ministers, High Level Steering Committee, chaired by the Secretary to the Treasury to take policy level decisions, Project Implementation Committee, chaired by the Deputy Secretary to the Treasury to take technical level decisions, were constituted. The Ministry of Finance, Planning and Economic Development has initiated implementation of the Project by establishing a dedicated Project Implementation Unit (PIU), which is responsible for the overall Project implementation under the Department of Trade and Investment Policy with financing from the Consolidated Fund and set the time targets to complete the Project within 36 months. The PIU commenced the implementation of the Project at the Preliminary Stage from October 2024 onwards and now has reached to the Implementation Stage.

The Ministry of Finance, Planning and Economic Development has been negotiating with the potential external funding agencies through the Department of External Resources to seek the financing, where some external funding agencies has agreed on technical assistance for certain crucial work packages identified for the Project implementation.

As agreed by the Asian Development Bank (ADB) to support the Project with Technical Assistance, they have initiated a scoping study on the technical assistance required by the Project during implementation and further initiated a study to propose recommendations on the suitable Single Window System Model for Sri Lankan Context. Both reports are yet to be submitted to the Ministry of Finance, Planning and Economic Development shortly.

Based on the recommendations to be received through the technical assistance from the ADB, suitable Single Window System will be purchased and upgraded/developed to the Sri Lankan context, where six (06) selected Border Trade Regulatory Agencies out of 18 Agencies selected for the first phase will be integrated to the Single Window Core System as a pilot test. The Balance will be integrated to the Core System by 2027 and it is expected to complete the implementation of the Project by interconnecting 18 Border Trade Regulatory Agencies by the end of 2027.

In parallel, all required Legal infrastructure will be in place, including a single overarching Law to give legitimacy to the Trade National Single Window System.

Box 2.5 | Trade Facilitation under Free Trade Agreements

The Government of Sri Lanka has signed five (5) Free Trade Agreements/Preferential Trade Agreements with the countries in the Asian Region as specified below:

- South Asian Preferential Trade Agreement (SAPTA) – covers Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka and entered into force on January 01, 2006.
- Indo Sri Lanka Free Trade Agreement (ISFTA) – entered into force with effect from March 01, 2000.
- Singapore-Sri Lanka Free Trade Agreement (SSLFTA) – entered into force on May 01, 2018.
- Pakistan Sri Lanka Free Trade Agreement (PSFTA) – entered into force with effect from June 12, 2005.
- Sri Lanka-Thailand Free Trade Agreement (SLTFTA) – signed on February 03, 2024 but it has not yet been implemented.

There are another five (5) proposed Free Trade Agreements/ Preferential Trade Agreements (PTA) under negotiation namely;

- **Economic and Technology Cooperation Agreement (ETCA)**

The trade negotiations related to the proposed Economic and Technical Co-operation Agreement (ETCA) is currently being taken place. 14 rounds of discussions have been held since 2016.

The following chapters will be included in the scope of the proposed agreement.

- i. Trade in Goods
- ii. Trade in Services
- iii. Rules of Origin
- iv. Sanitary and Phytosanitary Measures
- v. Technical Barriers to Trade
- vi. Economic and Technology Cooperation
- vii. Dispute settlement and Legal Affairs

Despite Sri Lanka and India initially agreeing to include a Chapter on Investment in the proposed ETCA, it has then been decided to negotiate on investment matters expeditiously excluding it from the scope of the ETCA.

- **China Sri Lanka Free Trade Agreement (CSFTA)**

This is a proposed bilateral trade agreement between China and Sri Lanka and up to 06th round of negotiations in this regard has already been held. 07th round of negotiation will be decided to hold upon the agreement of both countries.

Further, the Department of Trade and Investment Policy takes part in the Chapter on Trade in Goods (Tariff Liberalization Programme) only in these bilateral or multilateral trade agreements.

- **Indonesia Sri Lanka Preferential Trade Agreement**

In line with the decision of the Cabinet of Ministers No: 23/1248/601/042 dated July 10th 2023 and the joint statement of the parties on the launching of the Negotiation for the proposed preferential Trade Agreement between Sri Lanka and Indonesia (ISL PTA), the first meeting was held from April 03rd to 04th, 2024 virtually.

The second Trade Negotiation (TNC) meeting was held from 15th to 16th July 2024 in Colombo and both parties agreed on the modality during this round of Negotiation. This proposed ISL PTA focuses exclusively on the elimination or reduction of Tariffs on an agreed list of products.

Box2.5 | Trade Facilitation under Free Trade Agreements contd...

- **Bangladesh Sri Lanka Preferential Trade Agreement**

The Cabinet of Ministers has granted approval by its decision dated June 14, 2021 based on the Cabinet Paper No. 21/1011/313/034 submitted by then Minister of Trade, to begin negotiations on the proposed Sri Lanka – Bangladesh Preferential Trade Agreement and up to 03rd round of negotiations in this regard has already been held. A list of goods related to 100 HS Codes was exchanged but not finalized yet.

Although the 4th round of negotiations was scheduled for May 9th and 10th, 2024, it was not held due to the prevailing circumstances in Bangladesh at that time and both countries have not come to an agreement yet to start the 04th round of negotiations.

- **Malaysia Sri Lanka Free Trade Agreement**

The Cabinet of Ministers has granted approval by its decision dated June 11, 2024 based on the Cabinet Paper No. 24/1074/601/069 of May 31, 2024 submitted by HE the President, to begin negotiations on proposed Sri Lanka – Malaysia Free Trade Agreement. However, both countries have not come to an agreement yet to start the negotiations.

The negotiation rounds of the trade in goods were led by the Ministry of Finance with the collaboration of other stakeholders, where external consultations with trade communities, chambers and industries etc. were adequately done to get their representations to the negotiations as appropriate.

Special Commodity Levy (SCL)

Revenue collection from SCL increased notably by 124.4 percent to Rs. 115.2 billion in 2024 from Rs. 51.3 billion in 2023 due to the upward revision of duty rates on sugar and potatoes and an increase in the import volumes of essential items. The highest SCL revenue was collected from rice, sugar and coconut oil. This is an achievement of 121.3 percent of the annual estimate of Rs. 95.0 billion.

Ports and Airports Development Levy (PAL)

Revenue generated from the PAL decreased marginally by 3.1 percent to Rs. 170.0 billion in 2024 from Rs. 175.5 billion in 2023. This decrease was primarily attributable to the exemption of PAL on 26 essential items including petrol, diesel and fertilizer with effect from January 01, 2024 and full impact on exemption of PAL on 1,631 HS codes (tariff items) with effect from April 3, 2023, as part of the World Bank-supported Development Policy Loan Programme. The programme aims to eliminate PAL entirely over a five-year period in equal installments starting from 2023. By the end of 2023, approximately 4,100 HS code items representing around 50 percent of the total items

previously subject to PAL had been exempted, significantly reducing the taxable import base. Major revenue-generating items under PAL in 2024 included: machinery and mechanical appliances, electrical equipment, plastics and plastic articles, and iron and steel products.

Commodity Exports Subsidy Scheme Levy (CESS)

The revenue generated from the CESS on imports and exports increased notably by 41.9 percent to Rs. 81.1 billion in 2024 from Rs. 57.2 billion in 2023. This upturn was primarily attributable to the increase of import resulting from removing of restrictive policies aimed at curtailing non-essential imports along with the government's decision to phase out CESS (para tariffs) within a three-year period starting from 2023. Revenue from the CESS Levy on imports increased by 44.0 percent to Rs. 79.1 billion in 2024 from Rs. 55.0 billion in 2023. Meanwhile, CESS Levy on exports slightly decreased to Rs. 2 billion in 2024 from Rs. 2.2 billion in 2023. Key products contributed for export CESS revenue were tea, and, coconut. However, the government expect to generate Rs. 100 billion revenues from CESS in the year 2025.

Table 7.10 | CESS Revenue from International Trade and Government Subsidy for Agriculture Sector Development : 2022-2024

			Rs. Million				
Description	2022	2023	2024 ^(a)	Description	2022	2023	2024 ^(a)
CESS on Exports	2,243	2,229	1,996	Commercial Crop Development	64,074	56,008	41,517
Tea-under Tea (Tax and Control of Export) Act, Sri Lanka Tea Board Law	465	523	415	Tea	462	686	499
Rubber-under Rubber Replanting Subsidy Act	10	7	11	Rubber	652	655	514
Coconut-under Coconut Development Act	189	186	213	Coconut	213	450	500
EDB Cess- under Sri Lanka Export Development Act	1,579	1,513	1,357	Cashew	29	47	55
CESS on Imports	68,076	54,955	79,133	Minor Export Crops (Cinnamon, Cocoa, Coffee, Pepper)	241	388	370
Imports- under Sri Lanka Export Development Act	68,076	54,955	79,133	Fertilizer Subsidy for Total Agriculture Sector Development	62,477	53,782	39,579
Total	70,318	57,184	81,129	Total	64,074	56,008	41,517

Source: Department of Customs and Department of National Budget
^(a) Provisional

Other Taxes

Telecommunication Levy (TL)

Revenue generated from the Telecommunication Levy decreased by 8.0 percent to Rs. 15.9 billion in 2024 from Rs. 17.3 billion in 2023 due to reduced consumer spending on traditional telecommunication services, as economic pressures led users to shift towards more affordable packages and limited usage. The continued migration from conventional voice and SMS services to internet-based communication platforms also contributed to the revenue decline. Fixed access service connections declined to 2,122,000 in 2024 from 2,308,000 in 2023, indicating a continued reduction in reliance on traditional landline services. Cellular phone subscribers also declined to 28,820,000 in 2024 from 28,956,000 in 2023. Internet and email subscribers, including mobile internet services increased to 23,149,000 in 2024 from 22,864,000 in 2023, highlighting the ongoing shift towards data-driven services.

Embarkation Levy (EL)

Revenue collected from the embarkation levy slightly decreased by 1.3 percent to Rs. 38.3 billion in 2024 from Rs. 38.8 billion in 2023. In order to enhance revenue from the embarkation levy, the government is taking steps to strengthen the law enforcement capabilities of the authority responsible for collecting the embarkation levy. Further, to attract more passengers to the

airports government decided to continue 50 percent concession of the embarkation levy from the applicable levy of USD 60 per person, i.e. USD 30 for another period of one year from March 27, 2025 for the passengers using Colombo International Airport-Ratmalana (CIAR), period of one year from February 01, 2025 for the passengers using Jaffna International Airport (JIA) and full concession of the embarkation levy until December 28, 2025 for the airlines commencing operations of scheduled flights at Mattala Rajapaksa International Airport (MRIA).

Betting and Gaming Levy (BG)

The revenue collected from Betting and Gaming levy increased significantly by 32.2 percent to Rs.9.8 billion in 2024 compared to Rs. 7.4 billion in 2023 reflecting the expansion of entertainment activities with recovery of tourist arrivals coupled with imposition of entrance fee for Sri Lankan citizens who enters such place of business of gaming with effect from April 01, 2023.

The revenue generated from the annual levy on persons carrying out the business of bookmaker or gaming has increased significantly to Rs. 3.2 billion in 2024 from Rs. 1.4 billion in the previous year, due to the inclusion of new entities to the industry. Further, the levy on the gross collection of the business of bookmaker or gaming increased by 16.1 percent to Rs. 4.3 billion in 2024 from Rs. 3.7 billion in 2023, owing to the increase in the rate of the levy to 15 percent from 10 percent with effect from April 01, 2023.

Non-tax Revenue

In nominal terms, non-tax revenue slightly declined by 0.6 percent to Rs. 326.3 billion in 2024 from Rs. 328.3 billion in 2023. This reflects the decrease in revenue collection from profits and dividends, rent and other non-tax revenue. However, non-tax revenue as a percentage of GDP decreased by 0.1 percentage points to 1.1 percent in 2024 from 1.2 percent in 2023. Meanwhile, non-tax revenue from interest income increased remarkably by

120.1 percent to Rs. 57.8 billion in 2024 from Rs. 26.2 billion in 2023 even though interest rates reduced. Revenue from fines, fees and charges also increased by 5.6 percent to Rs. 154.7 billion in 2024 from Rs. 146.6 billion in 2023. Revenue from social security contributions increased by 18.8 percent to Rs. 43.1 billion in 2024 from Rs. 36.3 billion in 2023. Meanwhile, other sources of non-tax revenue decreased by 34.7 percent to Rs. 23.2 billion in 2024 from Rs. 35.5 billion in 2023.

Table 2.11 | Non-tax Revenue

Item	Rs. Million			2024 (% of Total Non-Tax Revenue)
	2023	2024 ^(a)	2023/2024 (% change)	
Interest/Rent	33,231	64,192	93.2	19.7
Profits and Dividends	75,701	41,080	-45.7	12.6
Sales and Charges	146,566	154,731	5.6	47.4
Social Security Contribution	36,258	43,089	18.8	13.2
Central Bank Profit Transfers	1,029	-	-	-
Other	35,474	23,170	-34.7	7.1
Total	328,259	326,261	-0.6	100.0

Source: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy
(^a) Provisional

Table 2.12 | Variance Analysis of Government Revenue

Item	Rs. Billion			Major Reasons for Variance
	2023	2024 Estimate	2024 ^(a)	
Income Taxes	911.4	1,080.0	1,026.2	Revenue collection from income taxes increased by 12.6 percent in 2024 compared to 2023, achieving 95.0 percent of the annual estimate. The actual revenue from income tax in 2024 deviated approximately by 5 percent, or Rs. 53.8 billion compared to the estimated revenue for 2024. The realization was mainly driven by: <ul style="list-style-type: none"> - the full impact of broadening the tax base with the reduction of the tax-free threshold for personal income tax from Rs. 3.0 million per annum to Rs. 1.2 million per annum; - the increased wages in both the public and private sectors; - the revival of economic activities; and - strengthening of the tax administration.
Value Added Tax (VAT)	694.5	1,400.0	1,309.7	Revenue from VAT increased significantly by 88.6 percent to Rs. 1,309.7 billion in 2024 from Rs. 694.5 billion in 2023 with the realization of 93.5 percent of the annual estimate. The significant increase in revenue from VAT was mainly driven by: <ul style="list-style-type: none"> - the upward revision of VAT rate from 15 percent to 18 percent with effect from January 01, 2024; - the reduction of VAT registration threshold to Rs. 60 million per annum from Rs. 80 million with effect from January 1, 2024; - the removal of VAT exemptions applicable on major items with effect from January 1, 2024; - the increase in total imports by 12.1 percent to USD 18.8 billion in 2024 from USD 16.8 billion in 2023; and - the revival of economic activities.

Rs. Billion				Major Reasons for Variance
Item	2023	2024 Estimate	2024 ^(a)	
Excise Duty	469.6	545.0	598.5	<p>Revenue from excise duty increased by 27.4 percent to Rs. 598.5 billion in 2024, exceeding the annual budget estimate by Rs. 53.5 billion. This outperformance was primarily driven by:</p> <ul style="list-style-type: none"> - increase excise duty applicable on all excisable articles having unit rates and excise duty applicable on all varieties of liquor by 14 percent based on inflation adjusted indexation - increase of excise duty on petroleum owing to the net increase in importation of all types of Petrol and Diesel, and the increase in refined petroleum imports; - increase in revenue from excise duty on motor vehicles with the increase in motor vehicle imports owing to the allowing the importation of electric vehicles for migrant workers and the relaxation of temporary imposed import restrictions on certain vehicle categories; and - increase in revenue from excise duty on liquor with the realization of the impact of Excise duty rate revisions implemented in July 2023. <p>However, revenue from cigarettes dropped slightly due to a reduction in sales or shifts in consumption behaviour within categories of cigarettes.</p>
Import Duty	105.1	175.0	111.1	<p>Revenue from Import Duty marginally increased by 5.7 percent to Rs. 111.1 billion in 2024 compared to 2023 with 63.5 percent of realization from budget estimate for 2024. This moderate growth was primarily driven by:</p> <ul style="list-style-type: none"> - realization of the full impact of upward revision of CID rates from 0 percent, 10 percent, and 15 percent to 0 percent, 15 percent, and 20 percent with effect from March 29, 2023; - removal of duty waivers on milk powder and wheat flour, as well as an increase in rice imports; and - the increase in total imports by 12.1 percent in 2024.
Ports and Airport Development Levy (PAL)	175.5	175.0	170.0	<p>Revenue from the Ports and Airport Development Levy (PAL) declined by 3.1 percent to Rs. 170.0 billion in 2024. The decline was primarily driven by:</p> <ul style="list-style-type: none"> - the exemption of 20 percent on total PAL liable items with effect from April 4, 2023 as a part of the phasing out of para-tariff; - the application of concessionary rates to 3,117 items and the exemption of 595 items at the time of importation of such goods from Singapore as per the provisions of Sri Lanka-Singapore Free Trade Agreement (SLSFTA) with effect from March 29, 2024. <p>Despite the reduction in the PAL base, in 2024, the actual revenue from PAL reached 97.2 percent of the budget estimate for 2024, indicating strong compliance and an effective collection mechanism.</p>
Special Commodity Levy (SCL)	51.3	95.0	115.2	<p>The revenue from the Special Commodity Levy increased significantly by 124.4 percent in 2024. This was primarily driven by:</p> <ul style="list-style-type: none"> - the upward revision of duty rates on sugar, potatoes and increased importation of major commodity items. <p>SCL revenue collection reached 121.3 percent of the budget estimate.</p>
Social Security Contribution Levy (SSCL)	216.2	250.0	250.9	<p>The Revenue from the Social Security Contribution Levy (SSCL) increased by 16.0 percent to Rs. 250.9 billion in 2024. This was primarily driven by:</p> <ul style="list-style-type: none"> - the notable increase in the number of persons registered for SSCL to 12,097 in 2024 from 8,107 in 2023 with the improvement of tax compliance; - introduction of Key Performance Indicators (KPIs) for the registration; - the reduction of registration threshold from Rs. 120 million per annum to Rs. 60 million per annum; and - the increase of imports by 12.1 percent in 2024 with the acceleration of economic activities. <p>A material deviation from the 2024 budget estimate was not observed, with actual revenue realization achieving 100.3 percent of annual estimates.</p>

Rs. Billion				Major Reasons for Variance
Item	2023	2024 Estimate	2024 ^(a)	
Other Taxes	97.0	100.0	122.9	The revenue from other taxes increased significantly by 26.7 percent to Rs. 122.9 billion. This was primarily driven by: - increase in revenue from CESS levy by 41.9 percent owing to the rise in imports; - increased revenue collection from the Luxury Tax on Motor Vehicles, Betting and Gaming Levy, and Share Transaction Levy. However, revenue collection from the Telecommunication Levy declined. However, the revenue collection of other taxes exceeded the budget estimate, surpassing the 2024 annual estimate by Rs. 22.9 billion.
Non-Tax Revenue	328.3	287.0	326.3	
Total	3,048.8	4,107.0	4,030.8	Non-Tax revenue has realized 113.7 percent of the 2024 budget estimate.

Compiled by the Department of Fiscal Policy
(a) Provisional

Box 2.6 Major Fiscal Measures: January 2024 – April 2025																												
Effective Date	Measures																											
Income Tax Amendments to the Inland Revenue Act, No. 24 of 2017																												
01.04.2025	Inland Revenue (Amendment) Act, No. 2 of 2025																											
	1) Personal Income Tax (PIT) Rate Structure To increase personal income tax relief of an individual to Rs. 1,800,000/- per annum and to revise the tax rates applicable on the taxable income of an individual as follows,																											
	PIT Rate Schedule																											
	<table><tr><th rowspan="2">Marginal Tax Rate (%)</th><th colspan="2">Annual Taxable Income (Rs.)</th></tr><tr><th>Previous Regime</th><th>Current Regime</th></tr><tr><td>0</td><td>Up to 1.2 Mn</td><td>Up to 1.8 Mn</td></tr><tr><td>6</td><td>1.2 – 1.7 Mn</td><td>1.8 – 2.8 Mn</td></tr><tr><td>12</td><td>1.7 – 2.2 Mn</td><td>-</td></tr><tr><td>18</td><td>2.2 – 2.7 Mn</td><td>2.8 – 3.3 Mn</td></tr><tr><td>24</td><td>2.7 – 3.2 Mn</td><td>3.3 – 3.8 Mn</td></tr><tr><td>30</td><td>3.2 – 3.7 Mn</td><td>3.8 – 4.3 Mn</td></tr><tr><td>36</td><td>Over 3.7 Mn</td><td>Over 4.3 Mn</td></tr></table>		Marginal Tax Rate (%)	Annual Taxable Income (Rs.)		Previous Regime	Current Regime	0	Up to 1.2 Mn	Up to 1.8 Mn	6	1.2 – 1.7 Mn	1.8 – 2.8 Mn	12	1.7 – 2.2 Mn	-	18	2.2 – 2.7 Mn	2.8 – 3.3 Mn	24	2.7 – 3.2 Mn	3.3 – 3.8 Mn	30	3.2 – 3.7 Mn	3.8 – 4.3 Mn	36	Over 3.7 Mn	Over 4.3 Mn
Marginal Tax Rate (%)	Annual Taxable Income (Rs.)																											
	Previous Regime	Current Regime																										
0	Up to 1.2 Mn	Up to 1.8 Mn																										
6	1.2 – 1.7 Mn	1.8 – 2.8 Mn																										
12	1.7 – 2.2 Mn	-																										
18	2.2 – 2.7 Mn	2.8 – 3.3 Mn																										
24	2.7 – 3.2 Mn	3.3 – 3.8 Mn																										
30	3.2 – 3.7 Mn	3.8 – 4.3 Mn																										
36	Over 3.7 Mn	Over 4.3 Mn																										
	2) Revision of CIT Rates (i) To increase the income tax rate applicable on the gains and profits from the manufacture and sale or import and sale of any liquor or tobacco product other than the export of such product and the gains and profits from conducting betting and gaming from 40 percent to 45 percent. (ii) To impose income tax on the gains and profit earned or derived from any service rendered in or outside Sri Lanka to any person to be utilized outside Sri Lanka, where the payment for such services is received in foreign currency and remitted through a bank to Sri Lanka at the rate of 15 percent. (iii) To impose income tax on the gains and profit earned or derived from any foreign source where such gain and profit are earned or derived in foreign currency and remitted through a bank to Sri Lanka at the rate of 15 percent.																											
	3) Advance Income Tax rate (WHT rate) To increase Advance Income Tax rate (WHT rate) applicable on interest or discount paid from 5 percent to 10 percent.																											

Box 2.6-I Major Fiscal Measures: January 2024 – April 2025 contd...	
01.04.2024	Gazette Notification No. 2376/25 of 21.03.2024 <ul style="list-style-type: none"> - To prescribe the information to be shared on a regular basis to the Commissioner General of Inland Revenue (CGIR) by the persons including Government Institutions.
Stamp Duty- Stamp Duty (Special Provisions) Act, No. 12 of 2006	
01.04.2025	Gazette Notification No. 2429/39 of 27.03.2025 <ul style="list-style-type: none"> - To increase the Stamp Duty applicable on any instrument relating to the lease or hire of any property from Rs. 10/- to Rs. 20/- for every Rs. 1,000/- or part thereof of the aggregate lease or hire including any premium, payable for the whole term comprised in the lease or hire Agreement (other than a hire purchase agreement).
Casino Business (Regulation) Act, No.17 of 2010	
12.01.2024	Gazette Notification No. 2366/33 of 12.01.2024 <ul style="list-style-type: none"> - To substitute Section 05 of the Casino Business Licensing Regulation No.01 of 2022 and to incorporate a Schedule II amending the license fee and license renewal fee structures.
02.02.2024	Gazette Notification No. 2369/42 of 02.02.2024 <ul style="list-style-type: none"> - To amend the investment criteria associated with the license fees and license renewal fees given in Schedule II of the regulation.
22.04.2024	Gazette Notification No. 2381/16 of 22.04.2024 <ul style="list-style-type: none"> - To correct the Sinhala translation errors in Extraordinary Gazette Notification No. 2366/33 dated January 12, 2024, and the Extraordinary Gazette Notification No. 2369/42 dated February 02, 2024.
29.05.2024	Gazette Notification No. 2386/09 of 29.05.2024 <ul style="list-style-type: none"> - To amend the investment criteria associated with the license fees and license renewal fees given in Schedule II of the regulation.
Social Security Contribution Levy (SSCL) – Social Security Contribution Levy Act, No. 25 of 2022	
01.01.2024	Social Security Contribution Levy (Amendment) Act, No. 15 of 2024 <ul style="list-style-type: none"> - To reduce the registration threshold applicable for Social Security Contribution Levy (SSCL) to Rs. 60 million per annum from Rs. 120 million per annum.
Value Added Tax (VAT) – Value Added Tax Act, No. 14 of 2002	
01.01.2024	Value Added Tax (Amendment) Act, No. 32 of 2023 <ul style="list-style-type: none"> - To remove vast majority of VAT exemptions applicable on major items.
01.01.2024	Gazette Notification No. 2363/22 of 19.12.2023 <ul style="list-style-type: none"> - To increase the VAT rate from 15 percent to 18 percent.
01.01.2024	Value Added Tax (Amendment) Act, No. 16 of 2024 <ul style="list-style-type: none"> - To increase the VAT rate from 15 percent to 18 percent and to reduce VAT registration threshold to Rs. 60 million per annum from Rs. 80 million per annum.

Box 2.61 Major Fiscal Measures: January 2024 – April 2025, contd....	
01.01.2024	Value Added Tax (Amendment) Act, No. 4 of 2025
11.04.2025	1) To avoid the unintended effects of the removal of exemptions from the Value Added Tax Act, No. 14 of 2002, to maintain clarity and to ensure smooth implementation of the VAT reforms introduced by the Value Added Tax (Amendment) Act, No. 32 of 2023.
11.04.2025	2) To issue the permanent VAT Registration Certificate when the import/export is done for commercial purposes, disregarding the facts that the goods are exempted from VAT or the importer/exporter is below the VAT registration threshold.
11.04.2025	3) To issue instructions by the Commissioner General of Inland Revenue to file VAT Returns in respect of the VAT exempt supplies/purchases as well.
11.04.2025	4) To exempt the supply of locally produced liquid milk and yoghurt from VAT.
w.e.f. 01.10.2025	5) To impose VAT on the supply of services by the Non-residents through an electronic platform with effect from October 01, 2025.
w.e.f. 01.10.2025	6) To repeal the Simplified VAT (SVAT) system, with effect from October 01, 2025 and to introduce a risk-based refund mechanism to expedite the refund process.
Excise (Special Provisions) Duty – Excise (Special Provisions) Act, No. 13 of 1989	
01.01.2024	Gazette Notification No. 2364/36 of 31.12.2023 - To revise Excise Duty of all excisable articles with unit rates by 14 percent based on an indexation.
11.01.2025	Gazette Notification No. 2418/43 of 10.01.2025 - To increase Excise Duty for all excisable articles with unit rates by 5.9 percent based on an annual inflation adjustment indexation.
01.02.2025	Gazette Notification No. 2421/42 of 31.01.2025 - To increase the Excise Duty on Electric Vehicles by 100 percent.
29.04.2025	Gazette Notification No. 2434/04 of 28.04.2025 - To impose Excise Duty for the newly created National Sub Divisions for electric motor vehicles with engine used (petrol, diesel or semi-diesel) only for charging the electric accumulator, not capable of being charged by plugging to external source of electric power.
Excise (Ordinance) Duty – Excise Ordinance (Chapter 52)	
01.01.2024	Excise Notification No.04/2023 (Gazette Notification No. 2364/35 of 31.12.2023) - To increase Excise Duty on all varieties of liquor by 14 percent with the purpose of introducing an annual inflation adjustment for Excise Duty.
12.01.2024	Excise Notification No.01/2024 (Gazette Notification No. 2366/38 of 12.01.2024) - To revise Annual Excise License Fees.
12.01.2024	Excise Notification No.02/2024 (Gazette Notification No. 2366/39 of 12.01.2024) - To amend the provisions in Excise Notification No. 902.
01.02.2024	Excise Notification No.03/2024 (Gazette Notification No. 2369/32 of 01.02.2024) - To revise Annual Excise License Fees and introduce one time fee to the industry entry.

Box 2.6.I Major Fiscal Measures: January 2024 – April 2025, contd...

14.03.2024	Excise Notification No.05/2024 (Gazette Notification No. 2397/22 of 13.08.2024) - To amend the provisions in Excise Notification No. 666.
11.01.2025	Excise Notification No.01/2025 (Gazette Notification No. 2418/42 of 10.01.2025) - To increase the Excise Duty on liquor by 5.9 percent based on an annual inflation adjustment indexation.
Tobacco Tax – Tobacco Tax Act, No. 08 of 1999	
02.04.2025	Gazette Notification No. 2430/16 of 01.04.2025 - To increase tobacco tax applicable on a stick of Beedi from Rs. 2/- per stick to Rs. 3/- per stick.
Ports and Airports Development Levy (PAL) – Ports and Airports Development Levy Act, No. 18 of 2011	
01.01.2024	Gazette Notification No. 2364/37 of 31.12.2023 - To exempt PAL on 26 essential items including Petrol, Diesel, and Fertilizers as PAL has to be phased out completely within five (05) years in accordance with the 2023 budget proposal No. 34.6 (Phasing-out of Para Tariffs).
29.03.2024	Gazette Notification No. 2377/39 of 28.03.2024 - To apply concessionary rates to 3,117 items and to exempt 595 items at the time of importation of such goods from Singapore, as per the provisions of Sri Lanka – Singapore Free Trade Agreement (SLSFTA).
CESS Levy – Sri Lanka Export Development Act, No. 40 of 1979	
06.01.2024	Gazette Notification No. 2365/50 of 04.01.2024 - To publish Tariff Liberalization Program (TLP) related to the CESS Levy under the Sri Lanka – Singapore Free Trade Agreement (SLSFTA).
06.09.2024	Gazette Notification No. 2400/25 of 05.09.2024 - To issue Gazette Notification on revising CESS Levy according to the Cabinet Decisions No. 24/1709/631/026-I dated 26.08.2024 and the No. 24/1541/622/002-II dated 12.08.2024.
Non-tax (Fees and Charges) – Securities & Exchange Commission of Sri Lanka Act, No. 19 of 2021	
01.02.2024	Gazette Notification No. 2366/34 of 12.01.2024 - To revise the fees and charges charged by the Securities and Exchange Commission for Market Intermediaries and Market Institutions.
Non-tax (Fees and Charges) – Regulation of Insurance Industry Act, No. 43 of 2000	
23.12.2024	Gazette Notification No. 2415/79 of 22.12.2024 - To increase the annual fees applicable for the insurers from 0.125 percent to 0.2 percent of the gross written premium of insurance business.
Customs Import Duty (CID) – Revenue Protection Act, No. 19 of 1962	
06.01.2024	Revenue Protection Order No. 06/2023 (Gazette Notification No. 2365/51 of 04.01.2024) - To remove second installment out of the six annual installments under the category "6" of the Tariff Liberalization Programme (TLP) of the Customs Import Duty on 1,222 Tariff Lines under Sri Lanka Singapore Free Trade Agreement (SLSFTA).

Box 2.6 Major Fiscal Measures: January 2024 – April 2025 (contd.)	
28.01.2025	Revenue Protection Order No. 01/2025 (Gazette Notification No. 2421/05 of 27.01.2025) - To impose Customs Import Duty of 20 percent or 20 percent with a Specific Rate of Duty (Mixed Rate of Duty) on importation of motor vehicles.
29.04.2025	Revenue Protection Order No. 02/2025 (Gazette Notification No. 2434/02 of 28.04.2025) - To create new National Sub Divisions (NSD) for electric motor vehicles with engine used (petrol, diesel or semi-diesel) only for charging the electric accumulator, not capable of being charged by plugging to external source of electric power.
Customs Surcharge – Customs Ordinance (Chapter 235)	
01.02.2025	Gazette Notification No. 2421/43 of 31.01.2025 - To impose a surcharge on import duties for the importation of Motor Vehicles.
29.04.2025	Gazette Notification No. 2434/03 of 28.04.2025 - To impose 50 percent of surcharge for the newly created National Sub Divisions for electric motor vehicles with engine used (petrol, diesel or semi-diesel) only for charging the electric accumulator, not capable of being charged by plugging to external source of electric power.
Special Commodity Levy (SCL) – Special Commodity Levy Act, No. 48 of 2007	
02.01.2024	Gazette Notification No. 2365/04 of 02.01.2024 - To grant duty waiver of Rs. 64/- per Kg on importation of rice with effect from 02.01.2024 to 21.01.2024.
08.01.2024	Gazette Notification No. 2365/84 of 07.01.2024 - To continue a SCL duty imposed on importation of Potatoes until December 31, 2024.
20.02.2024	Gazette Notification No. 2372/06 of 19.02.2024 - To extend the validity period of prevailing SCL duty on importation of Maize, Black Gram and Green Gram and to increase the SCL rate on Cowpea and Kurakkan from Rs.70/- per kg to Rs. 300/- per kg.
02.03.2024	Gazette Notification No. 2373/42 of 01.03.2024 - To grant duty waiver of Rs.199/- per kg for the importation of Dates considering the Ramadan Festive season till April 11, 2024.
27.03.2024	Gazette Notification No. 2377/17 of 26.03.2024 - To apply concessionary SCL duty rate of Rs.10/- per kg for the importation of Red Onion considering the Festive season till April 30, 2024 and to extend the duty waiver of Rs. 64/- per Kg for the importation of Rice for the period of 02.01.2024 to 21.01.2024.
18.05.2024	Gazette Notification No. 2384/31 of 17.05.2024 - To extend the validity period of 34 items on which SCL imposed till December 31, 2024.
31.07.2024	Gazette Notification No. 2395/32 of 31.07.2024 - To extend the validity period of 6 items and continue duty waiver on importation of salt for the use of Pharmaceuticals Industry till December 31, 2024.
03.10.2024	Gazette Notification No. 2404/19 of 02.10.2024 - To increase SCL to Rs.60/- on importation of Potatoes and to Rs. 30/- on importation of B' Onions considering the local harvesting period.

Box 2.6 | Major Fiscal Measures: January 2024 – April 2025: contd...

14.10.2024	Gazette Notification No. 2406/02 of 14.10.2024 - To extend the validity period of prevailing SCL duty on importation of Fish, Maldivian Fish, Massor Dhal, Mangoesteen and Kiwi Fruit and to extend the duty waiver for importation of Mackerel Fish for the use of local canned fish industry till December 31, 2024.
02.11.2024	Gazette Notification No. 2408/15 of 01.11.2024 - To continue the SCL rate on imported white Sugar at the same rate of Rs. 50/- per kg till December 31, 2024.
01.12.2024	Gazette Notification No. 2412/38 of 30.11.2024 - To continue the SCL rate imposed on imported potatoes and to reduce the SCL imposed on imported big onions from Rs. 30/- per kg to Rs. 10/- per kg till December 31, 2024.
01.01.2025	Gazette Notification No. 2417/20 of 31.12.2024 - To extend the validity period of prevailing SCL duty on importation of 63 commodities including essential food items till December 31, 2025.
28.01.2025	Gazette Notification No. 2421/03 of 27.01.2025 - To grant Duty waiver of Rs.199/- per kg for the importation of Dates considering the Ramadan Festive season.

Imports & Exports (Control) Regulations- Imports and Exports (Control) Act, No. 01 of 1969

11.01.2024	Imports & Exports (Control) Regulations No.01 of 2024 (Gazette Extraordinary No. 2366/19 of 11.01.2024) - To allow importation of selected motor vehicles, which were temporarily suspended, to fulfill specific requirements of several Government Institutions.
07.02.2024	Imports & Exports (Control) Regulations No.02 of 2024 (Gazette Extraordinary No. 2370/15 of 07.02.2024) - To extend the period allowed importing fully electric vehicles for Sri Lankans working abroad until 31.08.2024 by amending regulation No. 12(a) of the Imports & Exports (Control) Regulations No. 02 of 2023 (published in the Gazette Extraordinary No. 2312/78 of 01.01.2023).*
19.02.2024	Imports & Exports (Control) Regulations No.03 of 2024 (Gazette Extraordinary No. 2372/04 of 19.02.2024) - To allow importation of selected spices (e.g., pepper, nutmeg, and mace, etc.) classified and listed out in the Schedule V of the Special Import License Regulations No. 01 of 2023 (published in the Gazette Extraordinary No. 2312/77 of 01.01.2023), for processing and re-exporting purposes, by an "Approved Enterprise" as approved by the Cabinet of Ministers.**
29.02.2024	Imports & Exports (Control) Regulations No.04 of 2024 (Gazette Extraordinary No. 2373/28 of 28.02.2024) - To remove regulation No. 6 of Import Control Regulation No. 07 of 2022 (published in the Gazette Extraordinary No. 2278/21 of 06.05.2024) pertains to the prior endorsement requirement of the Documents Against Payments (DP) and Documents Against Acceptance (DA) payment terms.
19.03.2024	Imports & Exports (Control) Regulations No.05 of 2024 (Gazette Extraordinary No. 2376/14 of 19.03.2024) - To allow importation of selected motor vehicles, which were temporarily suspended, to fulfill specific requirements of several Government Institutions.

Box 1.6 Major Fiscal Measures: January 2024 – April 2025 (contd...)	
08.04.2024	Imports & Exports (Control) Regulations No.06 of 2024 (Gazette Extraordinary No. 2379/03 of 08.04.2024) <ul style="list-style-type: none"> - To allow Sri Lanka State Trading Corporation (STC), National Food Promotion Board and Sri Lanka Hadabima Authority to import of total quantity of 2,000 metric tons of Black gram classified and listed out in the Schedule V of the Special Import License Regulations No. 01 of 2023 (published in the Gazette Extraordinary No. 2312/77 of 01.01.2023).
17.05.2024	Imports and Exports (Control) Regulations No. 07 of 2024 (Gazette Extraordinary No. 2384/34 of 17.05.2024) <ul style="list-style-type: none"> - To allow Tourism Sector to import selected motor vehicles which were Temporarily Suspended.
17.05.2024	Standardization and Quality Control Regulations under the Imports and Exports (Control) Act, No.1 of 1969 (Gazette Extraordinary No. 2384/35 of 17.05.2024) <ul style="list-style-type: none"> - To prescribe Sri Lanka Standards for selected importation goods.
06.06.2024	Imports and Exports (Control) Regulations No. 08 of 2024 (Gazette Extraordinary No. 2387/35 of 06.06.2024) <ul style="list-style-type: none"> - To allow importation of Areca Nuts classified and listed out in the Schedule V of the Special Import License Regulations No. 01 of 2023 (published in the Gazette Extraordinary No. 2312/77 of 01.01.2023), for processing and re-exporting purposes, by an "Approved Enterprise" as approved by the Cabinet of Ministers.**
28.06.2024	Imports and Exports (Control) Regulations No. 09 of 2024 (Gazette Extraordinary No. 2390/19 of 28.06.2024) <ul style="list-style-type: none"> - To remove Import Control License (ICL) requirement for selected Edible Grains and to impose Import Control License (ICL) requirement for Unmanned Aircrafts.
18.07.2024	Imports and Exports (Control) Regulations No. 10 of 2024 (Gazette Extraordinary No. 2393/36 of 18.07.2024) <ul style="list-style-type: none"> - To allow importation of selected spices (e.g., pepper, nutmeg, and mace, etc.) classified and listed out in the Schedule V of the Special Import License Regulations No. 01 of 2023 (published in the Gazette Extraordinary No. 2312/77 of 01.01.2023), for processing and re-exporting purposes, by an "Approved Enterprise" as approved by the Cabinet of Ministers.
21.08.2024	Imports Control Regulations on Payment Terms No. 11 of 2024 (Gazette Extraordinary No. 2398/18 of 21.08.2024) <ul style="list-style-type: none"> - To allow authorized Persons within the meaning of the provisions of the Colombo Port City Economic Commission Act, No. 11 of 2021, to import goods under Open Account Payment term.
11.09.2024	Imports and Exports (Control) Regulations No. 12 of 2024 (Gazette Extraordinary No. 2401/21 of 11.09.2024) <ul style="list-style-type: none"> - To allow importation of brand-new Semi Knocked Down (SKD) kits for motor vehicle assembling projects operating under the Board of Investment of Sri Lanka, with agreements duly approved by the Cabinet of Ministers.**
04.12.2024	Imports and Exports (Control) Regulations No. 13 of 2024 (Gazette Extraordinary No. 2413/37 of 04.12.2024) <ul style="list-style-type: none"> - To remove Import Control License (ICL) requirement for importation of rice until December 20, 2024*

Box 2.6: Major Fiscal Measures: January 2024 – April 2025 (contd.)

18.12.2024	Imports and Exports (Control) Regulations No. 14 of 2024 (Gazette Extraordinary No. 2415/35 of 18.12.2024) - To remove temporary suspension on importation of public passenger transport vehicles, special purposes vehicles and other non-motorized goods.*
24.12.2024	Imports and Exports (Control) Regulations No. 15 of 2024 (Gazette Extraordinary No. 2416/11 of 24.12.2024) - To continue the removing of Import Control License (ICL) requirement for importation of rice by the Gazette Extraordinary No. 2413/37 dated 04.12.2024 until January 10, 2025.*
28.01.2025	Imports and Exports (Control) Regulations No. 01 of 2025 (Gazette Extraordinary No. 2421/04 of 27.01.2025) - To remove temporary suspension on importation of commercial or goods transport vehicles.*
01.02.2025	Imports and Exports (Control) Regulations No. 02 of 2025 (Gazette Extraordinary No. 2421/44 of 31.01.2025) - To remove temporary suspension on importation of motor vehicles including personal usage motor vehicles (Cars, Vans, Sport Utility Vehicles, etc.) and to impose Import Control License (ICL) requirement for motor vehicles that exceeds maximum age limits.
19.03.2025	Imports and Exports (Control) Regulations No. 03 of 2025 (Gazette Extraordinary No. 2428/07 of 19.03.2025) - To appoint Bureau Veritas as an authorized inspector for all countries to issue export inspection certificates for used motor vehicles and authorize license banks to release export inspection certificates of motor vehicles received without the stamp of the bank in country of export (required by the Regulation No. 5 of the Gazette Extraordinary No. 1804/17 dated April 03, 2013), through online verification
29.04.2025	Imports and Exports (Control) Regulations No. 04 of 2025 (Gazette Extraordinary No. 2434/12 of 29.04.2025) - To review the list of items for which the issuance of Import Control License has been suspended in terms of the Special Gazette No. 2312/77 dated 01.01.2023 and remove selected items from the list, and to remove the requirement of Import Control License on importation of electric motorcycles unregistered in any country (Brand-new).

Embarkation Levy – Finance Act, No. 25 of 2003

01.02.2024	Gazette Notification No. 2369/27 of 01.02.2024 - To extend the concessionary rate of USD 30 on Embarkation Levy for persons leaving Sri Lanka by aircraft from Colombo International Airport Ratmalana (CIAR) and Jaffna International Airport (JIA).
07.03.2024	Gazette Notification No. 2374/19 of 06.03.2024 - To grant a concessionary rate of USD 05 on the Embarkation Levy for persons leaving Sri Lanka by Ferry and USD 20 for the persons leaving Sri Lanka by cruise from the applicable levy of USD 60 for period of around three years with effect from March 07, 2024 to December 31, 2026.

Box 2.6 Major Fiscal Measures: January 2024 – April 2025 contd...	
31.01.2025	<p>Gazette Notification No. 2421/30 of 31.01.2025</p> <ul style="list-style-type: none"> - To extend tax exemption period for persons leaving Sri Lanka by aircraft from Mattala Rajapaksa International Airport (MRIA) for three years from the date of commencement of operations by an International Airline or 28.12.2025 which ever comes first. - To extend the concessionary rate of USD 30 on Embarkation Levy for persons leaving Sri Lanka by aircraft from CIAR and JIA.
International Telecommunications Operators Levy – Finance Act, No. 11 of 2004	
01.04.2025	<p>Gazette Notification No. 2430/14 of 01.04.2025</p> <ul style="list-style-type: none"> - To extend the current rate of levy payable on Incoming International Calls, Incoming International Calls on specific telephone numbers, Incoming Local Access Charge, Telecommunication Development Charge and Outgoing Local Access Charge for three years from January 01, 2025 to December 31, 2027.
Luxury Tax on Motor Vehicle – Finance Act, No.35 of 2018	
24.01.2024	<p>Gazette Notification No. 2368/24 of 24.01.2024</p> <ul style="list-style-type: none"> - To further extend the period of consideration for remittance, opening of Letters of Credits (LCs), and registration of vehicles published in the Extraordinary Gazette No. 2318/53 of 10.02.2023 (increase of tax free threshold of fully electric motor vehicles from Rs. 6 million to Rs.12 million for migrant workers).
01.02.2025	<p>Gazette Notification No. 2421/41 of 31.01.2025</p> <ul style="list-style-type: none"> - To revise Luxury Tax on Motor Vehicles threshold by Rs. 1.5 million for each fuel category except electric.
29.04.2025	<p>Gazette Notification No. 2434/05 of 28.04.2025</p> <ul style="list-style-type: none"> - To impose Luxury Tax on motor vehicles for the newly created National Sub Divisions for electric motor vehicles with engine used (petrol, diesel or semi-diesel) only for charging the electric accumulator, not capable of being charged by plugging to external source of electric power.
<p>* Currently not effective</p> <p>** Currently not valid</p>	

2.4 Challenges and Future Goals

1. The continuation of the prevailing macroeconomic policy path to support continued economic recovery and the establishment of an inclusive, sustainable, and robust growth path that delivers prosperity and enhances well-being of all Sri Lankans.
2. Formulating effective fiscal reforms covering tax policy, tax administration, and legislation to maintain sustainable and inclusive economic growth
3. Achieving a primary surplus of 2.3 percent in 2025 and maintaining the same over the medium term to maintain the government debt at a sustainable level.
4. Introducing institutional reforms including strengthening of tax administration and digitalization of systems and processes at main revenue collecting agencies
5. The new policies are envisaged to create a competitive, export-oriented, green, and digitalized economy with higher economic growth over time to improve living standards and to prevent the country from experiencing a second default of the debt in the period ahead.



.....
Dr. M K C Senanayake
Director General

Chapter 03

**Overall Financial Performance for the year
ended 31st December 2024**

3. Overall Financial Performance for the Year ended 31st December 2024

3.1 Statement of Financial Performance

ACA -F

Statement of Financial Performance
for the period ended 31st December 2024

Revised Budget Allocations 2024	Rs.	Note	Actual	
			2024 Rs.	2023 Rs.
-	Revenue Receipts			1,028,555,191
-	Income Tax	1		} ACA-1
-	Taxes on Domestic Goods & Services	2		
-	Taxes on International Trade	3		
-	Non Tax Revenue & Others	4		
	Total Revenue Receipts (A)			1,028,555,191
-	Non Revenue Receipts			
-	Treasury Imprests		85,915,000	70,495,000
-	Deposits		268,894	189,496
-	Advance Accounts		4,039,335	2,987,148
-	Other Main Ledger Receipts		-	-
-	Total Non Revenue Receipts (B)		90,223,229	73,671,644
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		90,223,229	1,102,226,834
	Remittance to the Treasury (D)		79,298	422,422
-	Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)		90,143,931	1,101,804,412
	Less: Expenditure			
-	Recurrent Expenditure			
54,400,000	Wages, Salaries & Other Employment Benefits	5	52,509,447	43,342,981
49,900,000	Other Goods & Services	6	34,063,973	29,166,524
430,000	Subsidies, Grants and Transfers	7	396,997	448,114
-	Interest Payments	8	-	-
-	Other Recurrent Expenditure	9	-	-
104,730,000	Total Recurrent Expenditure (F)		86,970,417	72,957,619
	Capital Expenditure			
-	Rehabilitation & Improvement of Capital Assets	10	-	-
2,430,000	Acquisition of Capital Assets	11	2,428,501	186,000
-	Capital Transfers	12	-	-

-	Acquisition of Financial Assets	13	-	-	
800,000	Capacity Building	14	541,000	-	
-	Other Capital Expenditure	15	-	-	
<u>3,230,000</u>	Total Capital Expenditure (G)		<u>2,969,501</u>	<u>186,000</u>	
	Deposit Payments		373,296	124,274	ACA-4
	Advance Payments		5,215,681	3,101,561	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		<u>5,588,977</u>	<u>3,225,835</u>	
	Total Expenditure I = (F+G+H)		95,528,894	76,369,454	
-	Balance as at 31st December J = (E-I)		<u>(5,384,963)</u>	<u>1,025,434,959</u>	
	Balance as per the Imprest Adjustment Statement		(5,419,807)	1,025,434,959	ACA-7
	Imprest Balance as at 31st December		<u>34,844</u>	<u>-</u>	ACA-3

3.2 Statement of Finance Position

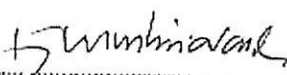
ACA-P

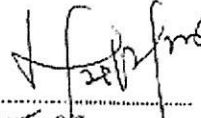
Statement of Financial Position As at 31st December 2024


	Note	Actual 2024 Rs	2023 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	38,663,788	23,314,798
Financial Assets			
Advance Accounts	ACA-5/5(a)	8,205,170	7,028,825
Cash & Cash Equivalents	ACA-3	34,844	-
Total Assets		46,903,802	40,343,623
Net Assets / Equity			
Net Worth to Treasury		8,205,170	6,924,122
Property, Plant & Equipment Reserve		38,663,788	23,314,798
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	-	104,403
Unsettled Imprest Balance	ACA-3	34,844	-
Total Liabilities		46,903,802	40,343,623

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from 07 to 27 and Annexures to accounts presented in pages from 28 to 33 form an integral part of these Financial Statements. The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 06/2024, dated 16.12.2024 and hereby certify that figures in these Financial Statements, Notes to accounts and other relevant accounts were reconciled with the Treasury Books of Accounts and found in agreement.

We hereby certify that an effective internal control system for the financial control exists in the Reporting Entity and carried out periodic reviews to monitor the effectiveness of internal control system for the financial control and accordingly make alterations as required for such systems to be effectively carried out.


Chief Accounting Officer
Name: K.M. Mahinda Siriwardana
Designation: Secretary
Date: 21.02.2025


Accounting Officer
Name: Dr. M.K.C. Senanayake
Designation: Director General
Date: 21.02.2025


Accountant (Covering)
Name: D.A.S. Dolewaththa
Designation: Deputy Director
Date: 21.02.2025

K.M. Mahinda Siriwardana
Secretary to the Treasury and Secretary
to the Ministry of Finance, Planning and Economic Development
Dr. M.K.C. Senanayake
Director General
Department of Fiscal Policy
D.A. Samantha Dolewaththa
Accountant (Acting)
Department of Fiscal Policy

3.3 Statement of Cash Flows

ACA-C

Statement of Cash Flows for the Period ended 31st December 2024

	Actual	
	2024 Rs.	2023 Rs.
<u>Cash Flows from Operating Activities</u>		
Total Tax Receipts	-	-
Fees, Fines, Penalties and Licenses	-	-
Profit	-	-
Non Revenue Receipts	-	-
Revenue Collected on behalf of Other Revenue Heads	2,798,285	2,419,187
Imprest Received	85,915,000	70,495,000
Recoveries from Advance	4,262,593	3,446,394
Deposit Received	268,894	189,496
Total Cash generated from Operations (A)	93,244,772	76,550,077
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	84,431,883	68,772,309
Subsidies & Transfer Payments	396,997	448,114
Expenditure incurred on behalf of Other Heads	284,273	3,623,194
Imprest Settlement to Treasury	79,298	422,422
Advance Payments	5,215,681	2,973,765
Deposit Payments	373,296	124,274
Total Cash disbursed for Operations (B)	90,781,428	76,352,077
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	2,463,345	186,000

Cash Flows from Investing Activities

Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending	-	-
Total Cash generated from Investing Activities (D)	-	-

Less - Cash disbursed for:

Purchase or Construction of Physical Assets & Acquisition of Other Investment	2,428,501	186,000
---	-----------	---------

Total Cash disbursed for Investing Activities (E)	2,428,501	186,000
--	------------------	----------------

NET CASH FLOW FROM INVESTING ACTIVITIES (F)=(D)-(E)	(2,428,501)	(186,000)
--	--------------------	------------------

NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	34,844	0
--	---------------	----------

Cash Flows from Financing Activities

Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	-	-

Less - Cash disbursed for:

Repayment of Local Borrowings	-	-
Repayment of Foreign Borrowings	-	-

Total Cash disbursed for Financing Activities (I)	-	-
--	----------	----------

NET CASH FLOW FROM FINANCING ACTIVITIES (J)=(H)-(I)	-	-
--	----------	----------

Net Movement in Cash (K) = (G) + (J)	34,844	-
Opening Cash Balance as at 01st January	-	-
Closing Cash Balance as at 31st December	-	-

3.4 Notes to the Financial Statements

Basis of Reporting

1) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2024.

2) Basis of Measurement

The Financial Statements have been prepared on historical cost modified by the revaluation of certain assets and accounted on a modified cash basis, unless otherwise specified.

The figures of the Financial Statements are presented in Sri Lankan rupees rounded to the nearest rupee.

3) Recognition of Revenue

Exchange and non-exchange revenues are recognized on the cash receipts during the accounting period irrespective of relevant revenue period.

4) Recognition and Measurement of Property, Plant and Equipment (PP&E)

An item of Property, Plant and Equipment is recognized when it is probable that future economic benefit associated with the assets will flow to the entity and the cost of the assets can be reliably measured.

PP&E are measured at a cost and revaluation model is applied when cost model is not applicable.

5) Property, Plant and Equipment Reserve

This reserve account is the corresponding account of Property Plant and Equipment.

6) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2024.

- In cases where there are transactions which are specific to a particular reporting entity, relevant information can be entered in and revisions can be made as needed in the formats and the disclosure required for those specific transactions may be included under "Reporting Basis"

- Only the accounting policies relevant to the reporting entity should be disclosed under the reporting basis.

3.5 Performance of the Revenue Collection N/A

Rs. ,000

Revenue Code	Description of the Revenue Code	Revenue Estimate		Collected Revenue	
		Original	Final	Amount (Rs.)	as a % of Final Revenue Estimate
	1002.10.00	-	-	-	-
	2005.01.00	-	-	-	-

3.6 Performance of the Utilization of Allocation

Rs. ,000

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	106,560	104,730	86,970	83.04%
Capital	1,400	3,230	2,970	91.95%

3.7 In terms of F.R.208 grant of allocations for expenditure to this Department/District Secretariat/Provincial Council as an agent of the other Ministries/ Departments -N/A

Rs. ,000

Serial No.	Allocation Received from Which Ministry /Department	Purpose of the Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
			Original	Final		
-	-	-	-	-	-	-

3.8 Performance of the Reporting of Non-Financial Assets N/A

Rs. ,000

Assets Code	Code Description	Balance as per Board of Survey Report as at 31.12.2024	Balance as per financial Position Report as at 31.12.2024	Yet to be Accounted	Reporting Progress as a %
9151	Building and Structures	-	-	-	-
9152	Machinery and Equipment	38,663,788.17	38,663,788.17		100%
9153	Land		-	-	-
9154	Intangible Assets	-	-	-	-
9155	Biological Assets	-	-	-	-
9160	Work in Progress	-	-	-	-
9180	Lease Assets	-	-	-	-

3.9 Auditor General's Report

** The final audit report issued by the Auditor General to be scanned and placed here



ජාතික විගණන කාර්යාලය

தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல. } TPD/B/DFP/24/24/FA
My No. }

ඔබේ අංකය
உமது இல. }
Your No. }

දිනය
திகதி } 2025 මැයි 31 දින
Date }

JUN 2025

ගණන්දීමේ නිලධාරී

රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුව

ශීර්ෂය 238 - රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුවේ 2024 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව විගණකාධිපති සම්පිණ්ඩන වාර්තාව

1. මූල්‍ය ප්‍රකාශන

1.1 මතය

ශීර්ෂය 238 - රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුවේ 2024 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය පිළිබඳ ප්‍රකාශය, එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශය හා මුදල් ප්‍රවාහ ප්‍රකාශවලින් සමන්විත 2024 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන 2018 අංක 19 දරන ජාතික විගණන පනතේ විධිවිධාන සමඟ සංයෝජිතව කියවිය යුතු ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(1) ව්‍යවස්ථාවේ ඇතුළත් විධිවිධාන ප්‍රකාර මාගේ විධානය යටතේ විගණනය කරන ලදී. 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(1) වගන්තිය ප්‍රකාරව රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුව වෙත ඉදිරිපත් කරනු ලබන මෙම මූල්‍ය ප්‍රකාශන පිළිබඳව මාගේ අදහස් දැක්වීම් හා නිරීක්ෂණයන් මෙම වාර්තාවේ සඳහන් වේ. 2018 අංක 19 දරන ජාතික විගණන පනතේ 11(2) වගන්තිය ප්‍රකාරව ගණන්දීමේ නිලධාරී වෙත වාර්ෂික විස්තරාත්මක කළමනාකරණ විගණන වාර්තාව යථා කාලයේදී ඉදිරිපත් කරනු ලැබේ. ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ආණ්ඩුක්‍රම ව්‍යවස්ථාවේ 154(6) ව්‍යවස්ථාව සමඟ සංයෝජිතව කියවිය යුතු 2018 අංක 19 දරන ජාතික විගණන පනතේ 10 වගන්තිය ප්‍රකාරව ඉදිරිපත් කළ යුතු විගණකාධිපති වාර්තාව යථා කාලයේදී පාර්ලිමේන්තුව වෙත ඉදිරිපත් කරනු ලැබේ.

රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුව 2024 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශනවලින්, මූල්‍ය තත්ත්වය, මූල්‍ය කාර්යසාධනය හා මුදල් ප්‍රවාහ, මූල්‍ය ප්‍රකාශන වලට අදාළ සටහන් 1හි සඳහන් මූල්‍ය ප්‍රකාශන සකස් කිරීමේ පදනමට අනුකූලව සියලුම





ප්‍රමාණාත්මකතාවයන් සම්බන්ධයෙන් සාධාරණ තත්ත්වයක් පිළිබිඹු කරන බව මා දරන්නා වූ මතය වේ.

1.2 මතය සඳහා පදනම

ශ්‍රී ලංකා විගණන ප්‍රමිතීන්ට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිතීන් යටතේ වූ මාගේ වගකීම, මෙම වාර්තාවේ මූල්‍ය ප්‍රකාශන විගණනය සම්බන්ධයෙන් විගණකගේ වගකීම යන කොටසේ තවදුරටත් විස්තර කර ඇත. මාගේ මතය සඳහා පදනමක් සැපයීම උදෙසා මා විසින් ලබා ගෙන ඇති විගණන සාක්ෂි ප්‍රමාණවත් සහ උචිත බව මාගේ විශ්වාසයයි.

1.3 කරුණක් අවධාරණය කිරීම - මූල්‍ය ප්‍රකාශන සකස් කිරීමේ පදනම

මෙම මූල්‍ය ප්‍රකාශන සකස් කිරීමේ පදනම විස්තර කරන මූල්‍ය ප්‍රකාශනවලට අදාළ සටහන් 1 කෙරෙහි අවධානය යොමු කරවමි. මූල්‍ය ප්‍රකාශන රජයේ මුදල් රෙගුලාසි 150 හා 151 සහ 2025 පෙබරවාරි 21 දින සංස්කරණ 2024 දෙසැම්බර් 16 දිනත් රාජ්‍යය ගිණුම් මාර්ගෝපදේශ අංක 06/2024 අනුව රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුවේ, මහා භාණ්ඩාගාරයේ සහ පාර්ලිමේන්තුවේ අවශ්‍යතාවය සඳහා සකස් කර ඇත. එම නිසා, මෙම මූල්‍ය ප්‍රකාශන වෙනත් අරමුණු සඳහා සුදුසු නොවිය හැක. මගේ වාර්තාව රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුව මහා භාණ්ඩාගාරයේ සහ ශ්‍රී ලංකා පාර්ලිමේන්තුවේ භාවිතය සඳහා පමණක් අරමුණු කර ඇත. මෙම කරුණ සම්බන්ධයෙන් මගේ මතය විකර්ණය කරනු නොලැබේ.

1.4 මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් ප්‍රධාන ගණන්දීමේ නිලධාරීගේ හා ගණන්දීමේ නිලධාරීගේ වගකීම

රජයේ මුදල් රෙගුලාසි 150 හා 151 සහ 2025 පෙබරවාරි 21 දින සංස්කරණ 2024 දෙසැම්බර් 16 දිනත් රාජ්‍යය ගිණුම් මාර්ගෝපදේශ අංක 06/2024 අනුකූලව සියලුම ප්‍රමාණාත්මකතාවයන් සම්බන්ධයෙන් සාධාරණ තත්ත්වයක් පිළිබිඹු කෙරෙන පරිදි මූල්‍ය ප්‍රකාශන පිළියෙල කිරීම හා වංචා සහ වැරදි හේතුවෙන් ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොරව මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකි වනු පිණිස අවශ්‍ය වන අභ්‍යන්තර පාලනය තීරණය කිරීම ගණන්දීමේ නිලධාරීගේ වගකීම වේ.

2018 අංක 19 දරන ජාතික විගණන පනතේ 16(1) වගන්තිය ප්‍රකාරව රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුව විසින් වාර්ෂික හා කාලීන මූල්‍ය ප්‍රකාශන පිළියෙල කිරීමට හැකිවන පරිදි



ස්වකීය ආදායම්, වියදම්, වත්කම් හා බැරකම් පිළිබඳ නිසි පරිදි පොත්පත් හා වාර්තා පවත්වා ගෙන යා යුතුය.

ජාතික විගණන පනතේ 38(1)(ඇ) උප වගන්තිය ප්‍රකාරව දෙපාර්තමේන්තුවේ මූල්‍ය පාලනය සඳහා සඵලදායී අභ්‍යන්තර පාලන පද්ධතියක් සකස් කර පවත්වා ගෙන යනු ලබන බවට ගණන්දීමේ නිලධාරී සහතික විය යුතු අතර එම පද්ධතියේ සඵලදායීත්වය පිළිබඳව කලින් කල සමාලෝචනයක් සිදු කර ඒ අනුව පද්ධතිය ඵලදායී ලෙස කරගෙන යාමට අවශ්‍ය වෙනස්කම් සිදු කරනු ලැබිය යුතුය.

1.5 මූල්‍ය ප්‍රකාශන විගණනය පිළිබඳ විගණකගේ වගකීම

සමස්ථයක් ලෙස මූල්‍ය ප්‍රකාශන, වංචා හා වැරදි හේතුවෙන් ඇතිවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් තොර බවට සාධාරණ තහවුරුවක් ලබාදීම සහ මාගේ මතය ඇතුළත් විගණන වාර්තාව නිකුත් කිරීම මාගේ අරමුණ වේ. සාධාරණ සහතිකවීම උසස් මට්ටමේ සහතිකවීමක් වන නමුත්, ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනය සිදු කිරීමේදී එය සැම විටම ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් අනාවරණය කර ගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ වැරදි තනි හෝ සාමූහික ලෙස බලපෑම නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇති විය හැකි අතර, එහි ප්‍රමාණාත්මක භාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කර ගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය විනිශ්චය සහ වෘත්තීය සැකසුමක් සුදුසු ක්‍රියා කරන ලදී. මා විසින් තවදුරටත්,

- ප්‍රකාශ කරන ලද විගණන මතයට පදනමක් සපයා ගැනීමේදී වංචා හෝ වැරදි හේතුවෙන් මූල්‍ය ප්‍රකාශනවල ඇති විය හැකි ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇතිවීමේ අවදානම හඳුනාගැනීම හා තක්සේරු කිරීම සඳහා අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම ප්‍රබල වන්නේ ඒවා දුස්ස්‍රාවකයන්, ව්‍යාජ ලේඛන සැකසීමෙන්, වේෂණාත්මක මහඟුරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මත ඟුරීමෙන් වැනි හේතු නිසා වන බැවිනි.
- අභ්‍යන්තර පාලනයේ සඵලදායීත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවුවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබා ගන්නා ලදී.
- ගෙවුම් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල ව්‍යුහය සහ අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධි උචිත හා සාධාරණ අයුරින් මූල්‍ය ප්‍රකාශනවල ඇතුළත් බව ඇගයීම.



- මූල්‍ය ප්‍රකාශනවල ව්‍යුහය හා අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණව ඇතුළත් වී ඇති බව සහ හෙළිදරව් කිරීම් ඇතුළත් මූල්‍ය ප්‍රකාශනවල සමස්ථ ඉදිරිපත් කිරීම අගයන ලදී.

මාගේ විගණනය තුළදී හඳුනාගත් වැදගත් විගණන සොයාගැනීම්, ප්‍රධාන අභ්‍යන්තර පාලන දුර්වලතා හා අනෙකුත් කරුණු පිළිබඳව ගණන්දීමේ නිලධාරී දැනුවත් කරමි.

2. වෙනත් තෛතික අවශ්‍යතා පිළිබඳ වාර්තාව

2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1)(ඇ) වගන්තිය ප්‍රකාරව

(අ) මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප වී තිබුණි.

(ආ) ඉකුත් වර්ෂයට අදාළ මූල්‍ය ප්‍රකාශන පිළිබඳව මා විසින් කර තිබුණු නිර්දේශ ක්‍රියාත්මක කර තිබුණි.

3. මූල්‍ය සමාලෝචනය

3.1 ආදායම් කළමනාකරණය

3.1.1 හිඟ ආදායම් අය කර ගැනීම

මු.රෙ 128 (2) ඉ ප්‍රකාරව රජයට ලැබිය යුතුව තිබෙන හිඟ ආදායම් අප්‍රමාදව එකතු කර ගැනීම සම්බන්ධව රාජ්‍ය ආදායම් පිළිබඳ ගණන්දීමේ නිලධාරියකුගේ වගකීම වූවත් 2010 වර්ෂයට පෙර සිට පැවති එන හා 2024 දෙසැම්බර් 31 දිනට වූ රු.62,783,502 ක් වූ හිඟ සමාජ වගකීම් බදු මුදලින් සමාලෝචිත වර්ෂය තුළ කිසිදු බදු මුදලක් අයකර ගෙන නොතිබූ අතර ඊට අදාළව සාධනීය පියවරක් ගැනීමට දෙපාර්තමේන්තුව මේ දක්වා අපොහොසත්වී තිබුණි.

3.2 අග්‍රිම කළමනාකරණය

සැලසුම් කළ පරිදි අදාළ කාර්යයන් ඉටු කිරීම සඳහා 2024 වර්ෂයේදී දෙපාර්තමේන්තුව විසින් එකතුව රු.මිලියන 113.68 ක අග්‍රිම ඉල්ලුම් කර තිබුණ ද, භාණ්ඩාගාරය විසින් එකතුව රු.මිලියන 85.9 ක් පමණක් ලබා දී තිබුණි. ඒ අනුව එකතුව රු. මිලියන 27.78 ක් හෙවත් සියයට 24 ක් ඉල්ලුම් කළ අග්‍රිමයට වඩා අඩුවෙන් ලැබී තිබුණු බව නිරීක්ෂණය විය.

3.3 වියදම් කළමනාකරණය

- (අ) පුනරාවර්තන වැය ව්‍යයයන් 09 සහ ප්‍රාග්ධන වැය ව්‍යයයක 2024 වර්ෂයේදී වෙන් කරන ලද එකතුව රු.30,155,000 ක් වූ ශුද්ධ ප්‍රතිපාදනයෙන් රු.14,234,994 ක් උපයෝජනය කිරීමෙන් තොරව ඉතිරි වී පැවතුණි. එය එම වැය ව්‍යයයන්ගේ ශුද්ධ ප්‍රතිපාදනයෙන් සියයට 30 සිට සියයට 97 ක් දක්වා සැලකිය යුතු පරාසයක් ගෙන තිබුණි.
- (ආ) ප්‍රාග්ධන වැය ව්‍යයයකට අදාළව මුල් ඇස්තමේන්තුගත ප්‍රතිපාදනය වූ රු.600,000 ට අමතරව මු.රෙ.66 මගින් රු.1,830,000 න් එනම් මුල් ඇස්තමේන්තුවෙන් සියයට 305 ක් වූ සැලකිය යුතු ප්‍රමාණයකින් ප්‍රතිපාදන වැඩිකර ගෙන තිබුණි.
- (ඇ) පුනරාවර්තන වැය ව්‍යයයන් 02ක ට අදාළව ඇස්තමේන්තුගත ප්‍රතිපාදන එකතුව වූ රු.1,500,000 න් මුදල් රෙගුලාසි 66 මගින් එකතුව රු.1,045,000 ක් වෙනත් වැය ව්‍යයන් සඳහා මාරු කර තිබුණි. එනම් මුල් ඇස්තමේන්තුවෙන් සියයට 56කින් හා සියයට 95 කින් සැලකිය යුතු පරාසයකින් ප්‍රතිපාදන අඩු කර තිබුණි.

3.4 ගණන්දීමේ නිලධාරී විසින් සිදු කළ යුතු සහතිකවීම්

2018 අංක 19 දරන ජාතික විගණන පනතේ 38 වන වගන්තියේ විධිවිධාන අනුව දෙපාර්තමේන්තුවේ මූල්‍ය පාලනය සඳහා සඵලදායී අභ්‍යන්තර පාලන පද්ධතියක් සකස් කර පවත්වා ගෙන යනු ලබන බවට ගණන්දීමේ නිලධාරී සහතික විය යුතු අතර එම පද්ධතියේ සඵලදායීතාවය පිළිබඳව කලින් කල සමාලෝචනය සිදුකර ඒ අනුව පද්ධති ඵලදායී ලෙස කර ගෙන යාමට අවශ්‍ය වෙනස්කම් සිදු කරනු ලැබිය යුතු බවත් හා එම සමාලෝචනයන් ලිඛිතව සිදු කර එහි පිටපතක් විගණකාධිපති වෙත ඉදිරිපත් කළ යුතුව තිබුණත්, එවැනි සමාලෝචනයන් සිදු කළ බවට ප්‍රකාශ විගණනයට ඉදිරිපත් කර නොතිබුණි.



5. මානව සම්පත් කළමනාකරණය

2024 දෙසැම්බර් 31 දින වන විට අනුමත කාර්ය මණ්ඩලයේ තනතුරු 62 න් 14 ක් හෙවත් අනුමත තනතුරු සංඛ්‍යාවෙන් සියයට 22 පුරප්පාඩු වී පැවැති අතර, ඒ තුළ ජ්‍යෙෂ්ඨ මට්ටමේ තනතුරු 22 න් තනතුරු 06ක් හෙවත් අනුමත තනතුරු සංඛ්‍යාවෙන් සියයට 27 පුරප්පාඩු වී පැවැතුණි.

ඩී.ඊ.ඒ.එස්. අනුලසිරි

ජ්‍යෙෂ්ඨ සහකාර විගණකාධිපති

විගණකාධිපති වෙනුවට

Chapter 04

Performance Indicators

4. Performance Indicators

4.1 Performance Indicators of the Institute (Based on the Action Plan)

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100% - 90%	89% - 75%	74% - 50%
01. Formulation and Implementation of the Fiscal Policy and Medium term Fiscal Strategy			
i. Monitor the implementation of policies and the performance of revenue and expenditure	Monthly monitored 100%		
ii. Review macro fiscal condition of the country	Continuous action		
iii. Collaborate with the relevant agencies which have an impact on economic policy direction	Making arrangements as required		
iv. Prepare of budget outturn monthly, quarterly and yearly and preparation of MTF	Out turn - 100% MTFF - 100%		
v. Take measures to adjust the situation where a reaction is needed.	Making arrangements as required		
02. Review the Present Fiscal Policy Stance and Proposed Appropriate Adjustments	Taking Appropriate action as required		
03. Macro-Fiscal Research			
i. Provide inputs required for policy formulation having engaged in analysis works related to key issues in the economy	Continuous action		
ii. Analyze of revenue, expenditure and financing, revenue forecasting, medium term fiscal framework	100%		
iii. Set fiscal policy targets and identify fiscal risks	Continuous action		
iv. Analyze of variances and provide reasons for deviations, corrective policies, fiscal rules	Continuous action		
v. Analyze the economic and social impact of fiscal policies and prepare of macroeconomic framework	Continuous action		
vi. Analyze data and write brief/concept papers/analytical papers	Continuous action		
vii. Examine the effects of existing and proposed revenue generating policies	Continuous action		
viii. Examine and analyze sectorial budgets, financial structures, expenditure trends and budget estimates and analyze alternative budget allocations	Continuous action		
ix. Analyze debt policy - debt management structure, debt statistics, debt sustainability, cost and risk management framework for the government's debt portfolio and project debt and debt service payments	Continuous action		
x. Prepare Weekly Economic Report & Fiscal Review Report	100%		
04. Preparation of Revenue Estimate for 2023 - 2025			
i. Request estimates from each revenue agency	100%		
ii. Evaluate revenue estimates	100%		
iii. Finalize the estimates	100%		
05. Fiscal Policy Review			
i. Attend the revenue performance and cash flow review meeting every month under the chairmanship of the Secretary to the Treasury	100%		
ii. Provide required policy inputs to revenue collecting agencies such as IRD, SL Customs and Excise Department	100%		
06. Monitor the Revenue Performance of 2024			
i. Monitor performance of revenue estimates of 2024	100 %		
ii. Monitor the progress of policy and administrative changes introduced in the Budget 2024	100 %		

Specific Indicators	Actual output as a percentage (%) of the expected output		
	100% - 90%	89% - 75%	74% - 50%
iii. Revise tax policies as required	Revised as necessary		
iv. Analyze default taxes and preparation of policy recommendation in order to minimize such defaults	100 %		
07. Preparation of the Budget Speech 2024			
i. Mold necessary and requisite policy directions into the budgetary Framework	completed		
ii. Request for budget proposals from general public, private sector and government agencies	100%		
iii. Summarize budget proposals received by the general public, private sector and government agencies	100%		
iv. Monitor the implementation of Revenue Proposals in the Budget 2024	completed		
v. Analyze revenue proposals of the budget 2025	100%		
vi. Prepare and publish Gazette Notifications relating to the revenue proposals	Done as appropriate		
08. Implementation and monitoring of the Revenue Proposals of the Budget 2023			
i. Draft related Acts and make amendments to the relevant Acts	Completed as necessary		
ii. Obtain the certification from the legal Draftsman and Attorney General	Completed as necessary		
iii. Obtain the Cabinet approval	Completed as necessary		
iv. Publish the Acts and Bills	Completed as necessary		
v. Submit relevant Acts and Bills to Parliament for approval	Completed as necessary		
09. Granting Various Tax Concessions and Exemptions in Terms of the Applicable Laws			
i. Make necessary revisions to taxes	Completed as necessary		
ii. Attend the representations made by public, government organizations and international organizations on tax matters.	100%		
10. Administrative and Financial Matters of the Department	No of staff meeting held 04 No of complaints received No of audit quarries raised 03 Prepare performance report - completed		
11. Preparation of the Reports Under the Fiscal Management (Responsibility) Act, No.3 of 2003 and Table the reports in the Parliament			
i. Annual Report	01 - 100%		
ii. Mid-Year Fiscal Position Report	01 - 100%		
iii. Fiscal Management Report	01 Done with Budget 2025		
iv. Pre-election fiscal performance report*	100 %		
v. Records on Right to Information	No of replies / responses issued - 19		
12. Parliamentary/CM Matters			
i. Prepare of Cabinet Memoranda and FPD observations and comments	No of cabinet memorandums submitted - 12 No of cabinet observations prepared - 23		
ii. Prepare observations for Parliament Questions	No of Parliament Questions answered - 02		
iii. Participate at Parliamentary Committee Meetings	-		

Chapter 05

**Performance of The Achieving sustainable
development goals (SDG)**

5. Performance of the Achieving Sustainable Development Goals (SDG)

5.1 Indicate the Identified respective Sustainable Developments Goals

Objectives	Target	Performance Indicators	Progress as at 31.12.2024		
			0%-49%	50% - 74%	75% - 100%
Affordable and clean energy	Significantly increase the share of renewable energy in the Global Energy Mix by the year 2030.	Continuation of tax exemptions granted to renewable energy special projects.			100%
Decent work and economic growth	To maintain per capita economic growth in accordance with national conditions and to maintain gdp growth in developing countries at a minimum of 7 percent per annum.	Positive economic growth of 5.0 percent was maintained in 2024 as compared to the contraction of 2.3 percent recorded in 2023. Further, gdp growth in 2025 is expected to be between 3 percent and 5 percent.			100%
Peace, Justice and Strong Institutions	Develop effective, accountable and inclusive institutions at all levels	Proper management of primary public expenditure in the year 2024 as part of the sector-wise approved budget.			100%

5.2 Briefly explain the achievements and challenges of the Sustainable Development Goals

Performance of the department contributes to achieve some of the Sustainable Development Goals in the country as mentioned below.

- Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
- Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Chapter 06

Human Resource Profile

6. Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies/ (Excess)**
Senior	22	16	06
Tertiary	02	01	01
Secondary	24	21	03
Primary	14	10	04

6.2 Briefly state how the shortage or excess in human resources has been affected to the performance of the institute.

14 positions remain vacant from the approved total cadre of this department. Out of that, Six (06) vacant position belongs to senior category which will adversely affect the workload of remaining officers.

It was managed within the existing cadre.

6.3 Human Resource Development

Local Training

Name of the Program	No of Staff Trained	Duration of the Program	Total Investment	Nature of the program	Output /Knowledge gained
Speech Craft Training programme with Toastmasters International	01	20 hrs	Rs.35,000	10 Days programme conducted by Sri Lanka Institute of Development Administration	Enhancing of speaking skills of the officer.
Diploma in Professional English	01	240 Hrs	Rs.92,000	01 Year course conducted by Sri Lanka Institute of Development Administration	English knowledge for letter preparations and day today document related operations
E-Views Essentials: A Hands on Guide to Applied Econometrics	04	42 Hrs	Rs .60,000 per person Total Investment is Rs.240,000	The course designed for officers who interested in improving research skills conducted by Centre for Banking Studies, Central bank of Sri Lanka	Enhancing the knowledge of understanding of econometric techniques and the techniques using E-Views.
Certificate course in government procurement procedure	01	60Hrs	Rs.40,000	A Course conducted by SKILLS DEVELOPMENT FUND LIMITED designed for those who MSO, Supervisors and Procurement administration officers related to government procurement procure	Obtained knowledge on government procurement process, TEC, E Procurement process, contract agreements preparations and knowledge of procurement procedure

Preparation of cabinet papers	01	01 Day	Rs.7000	one day physical course conducted by skills Development Fund Limited on preparation of cabinet papers	Knowledge relating to preparation and procuring cabinet papers to the cabinet in effective manner
Smart Office Techniques	01	03 Days	Rs.21000	A Course designed to improve the overall office space with the best management tools: make employees work smarter, better and faster	Knowledge of Ms. Word, Ms.excel, pdf, printing, emails, Cloud storage, Share folders and advance knowledge of management tools
Government Accounting practice and Final accounts preparation	01	02 Days	Rs.13,000	A course conducted by Skills development Fund Limited ,designed to enhance the knowledge of government officers who are related to accounts divisions	Knowledge of government Accounting process, Final Accounts
Establishment code and Financial Regulations	02	02 Days	Rs.13000 Per Person (Total Rs.26000)	A course conducted by Skills Development Fund Limited to enhance the knowledge of the officers on updated circulars, establishment code and financial regulations	Enhancing of knowledge for establishment code and financial regulations ,Government procurement process, Financial regulations helpful even for efficiency bar examinations
Computer Applications	01	03 Days	Rs.21000	A course conducted by Skills Development Fund Limited for those who want to enhance computer knowledge	Knowledge of Word Processing with Ms, Excel, Spread sheets, Presentations, Knowledge on Internet and e mails.

Ministry of Finance issued a National Budget Circular Number 01/2023 dated 27th Jan, 2023 on curtailment of Recurrent Provisions Appropriated for the year 2023 by 6% and Public Expenditure Management as per the directions given in that circular no local training has been allocated.

Foreign Training

Foreign Training / Official Travel

From 2024.01.01 to 2024.12.31

No	Name	Designation	programme	Country	Expenditure	Training / Travel Duration
1	Dr. M.K.C. Senanayake	Director General	2024 Spring Meetings of the ` Monetary Fund & World Bank Group	USA	Insurance - Rs. 4,885.48 Incidental - US \$ 400 Subsistance - US \$ 3710 Air Ticket - Rs. 586,900/=	15.04.2024 - 20.04.2024
			09th Tokyo Fiscal Forum	Japan	Insurance - Rs. 3,631.50 Incidental - US \$ 200	05.06.2024 - 06.06.2024

			15 th Asia - Pacific Tax Forum	Malaysia	Insurance - Rs. 2,589.29 Incidental - US \$ 160	16.07.2024 - 17.07.2024
			Annual Meeting for the International Monetary Fund (IMF) and World Bank (WB) - 2024	USA	Insurance - Rs. 7,635.38 Incidental - US \$ 400 Subsistence - US \$ 5194 Air Ticket - Rs. 458,300/=	16.10.2024 - 26.10.2024
2	Mr. D. Wijesiriwardane	Additional Director General	Seminar on Tax System for bri Partner Countries Project Profile	China	Insurance - Rs. 5,638.70 Incidental - US \$ 375 Medical Fees - Rs. 1,500.00	04.07.2024 - 17.07.2024
3	Ms. J.D. Kotinkaduwa	Director	Global Dialogue on Gender Equality and Taxation	Turkey	Incidental - US \$ 125 Visa Fees - Rs. 61,960.00	06.02.2024 - 08.02.2024
			ADB : international Tax Forum 2024	Indonesia	Insurance - Rs. 2,916.06 Incidental - US \$ 125	24.09.2024 - 26.09.2024
4	Ms. W.A.J.C. Wickrama Arachchi	Director	Workshop on Assessing and Managing Debt - related Fiscal Risks	Austria	Visa Launching Fees - Rs. 13,080.00	08.04.2024 - 12.04.2024
			IMF SARTTAC Training Course on Developing a Medium - Term Management Debt Strategy	India	Insurance - Rs. 3,549.26 Incidental - US \$ 150	23.09.2024 - 27.09.2024
			Inaugural Workshop of the OECD Project on Strengthening and Integrating Green, Gender and SDG Budgeting	Thailand	Insurance - Rs. 3,094.72 Incidental - US \$ 125	25.11.2024 - 28.11.2024
5	Mr. K.S.M de Silva	Director	The Thirteen IMF - Japan High - Level Tax Conference for Asian Countries	Japan	Insurance - Rs. 3,631.50 Incidental - US \$ 125	2024.04.25 - 2024.04.26
			Seminar on Tax System for bri Partner Countries Project Profile	China	Insurance - Rs. 5,638.70 Incidental - US \$ 375	04.07.2024 - 17.07.2024
6	Mrs. W.T.A. Perera	Tax Policy Advisor	IMF SARTTAC Training Course on Gender Inequality and Macroeconomics	India	Insurance - Rs. 3,631.50 Incidental - US \$ 150	22.04.2024 - 26.04.2024
			Course on current International Issues in Tax Law Design	China	Insurance - Rs. 4,026.14 Incidental - US \$ 125	21.10.2024 - 25.10.2025

7	Ms. P.A.N. Abeyasekara	Deputy Director	IMF SARTTAC Training Course on Gender Inequality and Macroeconomics	India	Insurance - Rs. 3,248.86 Incidental - US \$ 150 Visa Fees - Rs. 7,929.58	22.04.2024 - 26.04.2024
			Invitation to the Revenue Statistics in Asia and the Pacific - Technical Workshop 2024	Philippines	Insurance - Rs. 2,508.88 Incidental - US \$ 100 Visa Fees - Rs. 16,000.00	04.11.2024 - 05.11.2025
8	Mrs. M.A.S. Dabarera	Deputy Director	IMF SARTTAC Training Course on High Frequency Indicators and Monthly Indicators of Economic Growth	India	Insurance - Rs. 3,563.15 Incidental - US \$ 150	18.03.2024 - 22.03.2024
9	Ms. S. Suganya	Assistant Director	IMF SARTTAC Training Course on Fiscal Sustainability	India	Insurance - Rs. 4,203.37 Incidental - US \$ 300	05.02.2024 - 15.02.2024
10	Ms. P.S. Kumaraguru	Assistant Director	IMF SARTTAC Training Course on Fiscal policy Analysis	India	Insurance - Rs. 4,203.37 Incidental - US \$ 300 Visa Fees - Rs. 4,208	02.12.2024 - 12.12.2024
11	Mrs. D.M.S. Kumari	Assistant Director	Training Course on Climate in Macroeconomic Framework	Singapore	Insurance - Rs. 3,248.86 Incidental - US \$ 150	14.10.2024 - 18.10.2025
12	Ms. J.G.D. Tharaka	Assistant Director	IMF SARTTAC Training Course on Fiscal Sustainability	India	Insurance - Rs. 4,203.37 Incidental - US \$ 300 Visa Fees - Rs. 2,088.00	05.02.2024 - 15.02.2024
			The Technical Workshop on Monitoring Economic Activity in Real - Time	Thailand	Insurance - Rs. 2,589.29 Incidental - US \$ 100 Visa Fees - Rs. 24,000.00	12.06.2024 - 13.06.2024
13	Mr.E.M.K.G.K.M. Ekanayake	Development Officer	IMF SARTTAC Training Course on Fiscal policy Analysis	India	Insurance - Rs. 4,885.48 Incidental - US \$ 300 Visa Fees - Rs. 4,208	02.12.2024 - 12.12.2024
14	Mrs. W.A.K.M.R. Kumari	Development Officer	IMF SARTTAC Training Course on Fiscal Sustainability	India	Insurance - Rs. 4,203.37 Incidental - US \$ 300 Visa Fees - Rs. 2,088.00	05.02.2024 - 15.02.2024
15	Mrs. P.M.N. Sammani	Development Officer	IMF SARTTAC Training Course on Introduction to Government Finance Statistics	India	Insurance - Rs. 3,166.26 Incidental - US \$ 175 Visa Fees - Rs. 4,388.00	28.08.2024 - 01.09.2024

16	Ms. G.A.B. H. Gamagedara	Development Officer	IMF SARTTAC Training Course on High Frequency Indicators and Mpnthly Indicators of Economic Growth	India	Insurance - Rs. 3,563.15 Incidental - US \$ 150 Visa Fees - Rs. 4,388.00	18.03.2024 - 22.03.2024
			IMF SARTTAC Training Course on Fiscal policy Analysis	India	Insurance - Rs. 4,885.48 Incidental - US \$ 300 Visa Fees - Rs. 4,208.00	02.12.2024 - 12.12.2024

Chapter 07

Compliance Report

Compliance Report

No	Applicable Requirement	Compliance Status (Complied/ Not Complied)	Brief explanation for non-Compliance	Corrective actions proposed to avoid non-compliance in future
1	The following Financial Statements/accounts have been submitted on due date			
1.1	Annual financial statements	Complied		
1.2	Advance to public officers account	Complied		
1.3	Trading and Manufacturing Advance Accounts (Commercial Advance Accounts)		N/A	
1.4	Stores Advance Accounts		N/A	
1.5	Special Advance Accounts	Complied		
1.6	Others			
2	Maintenance of books and registers (FR445)			
2.1	Fixed assets register has been maintained and update in terms of Public Administration Circular 267/2018	Complied		
2.2	Personal emoluments register/ Personal emoluments cards have been maintained and update	Complied		
2.3	Register of Audit queries has been maintained and update	Complied		
2.4	Register of Internal Audit reports has been maintained and update	Complied		
2.5	All the monthly account summaries (CIGAS) are prepared and submitted to the Treasury on due date	Complied		
2.6	Register for cheques and money orders has been maintained and update	Complied		
2.7	Inventory register has been maintained and update	Complied		
2.8	Stocks Register has been maintained and update	Complied		
2.9	Register of Losses has been maintained and update	Complied		
2.10	Commitment Register has been maintained and update	Complied		
2.11	Register of Counterfoil Books (GA - N20) has been maintained and update	Complied		
3	Delegation of functions for financial control (FR 135)			
3.1	The financial authority has been delegated within the institute	Complied		
3.2	The delegation of financial authority has been communicated within the institute	Complied		
3.3	The authority has been delegated in such manner so as to pass each transaction through two or more officers	Complied		
3.4	The controls have been adhered to by the accountants in terms of State Account Circular 171/2004 dated 11.05.2014 in using the Government Payroll Software Package	Complied		
4	Preparation of Annual Plans			
4.1	The annual action plan has been prepared	Complied		
4.2	The annual procurement plan has been prepared	Complied		

4.3	The annual Internal Audit plan has been prepared	Complied		
4.4	The annual estimate has been prepared and submitted to the NBD on due date	Complied		
4.5	The annual cash flow has been submitted to the Treasury Operations Department on time	Complied		
5	Audit queries			
5.1	All the audit queries have been replied within the specified time by the Auditor General	Complied		
6	Internal Audit			
6.1	The internal audit plan has been prepared at the beginning of the year after consulting the Auditor General in terms of Financial Regulation 134(2)) DMA/1-2019	Complied		
6.2	All the internal audit reports have been replied within one month	Complied		
6.3	Copies of all the internal audit reports has been submitted to the Management Audit Department in terms of Sub-section 40(4) of the National Audit Act No. 19 of 2018	Complied		
6.4	All the copies of internal audit reports have been submitted to the Auditor General in terms of Financial Regulation 134(3)	Complied		
7	Audit and Management Committee			
7.1	Minimum 04 meetings of the Audit and Management Committee has been held during the year as per the DMA Circular 1-2019	Complied		
8	Asset Management			
8.1	The information about purchases of assets and disposals was submitted to the Comptroller General's Office in terms of Paragraph 07 of the Asset Management Circular No. 01/2017	Complied		
8.2	A suitable liaison officer was appointed to coordinate the implementation of the provisions of the circular and the details of the nominated officer was sent to the Comptroller General's Office in terms of Paragraph 13 of the aforesaid circular	Complied		
8.3	The boards of survey were conducted and the relevant reports submitted to the Auditor General on due date in terms of Public Finance Circular No. 01/2020	Complied		
8.4	The excesses and deficits that were disclosed through the board of survey and other relating recommendations, actions were carried out during the period specified in the circular	Complied		
8.5	The disposal of condemn articles had been carried out in terms of FR 772	Complied		
9	Vehicle Management			
9.1	The daily running charts and monthly summaries of the pool vehicles had been prepared and submitted to the Auditor General on due date	Complied		
9.2	The condemned vehicles had been disposed of within a period of less than 6 months after condemning	Complied		
9.3	The vehicle logbooks had been maintained and updated	Complied		
9.4	The action has been taken in terms of F.R. 103, 104, 109 and 110 with regard to every vehicle accident	Complied		

9.5	The fuel consumption of vehicles has been re-tested in terms of the provisions of Paragraph 3.1 of Public Administration Circular 2016/30 of 29/12/2016	Complied		
9.6	The absolute ownership of the leased vehicle log books has been transferred after the lease term	Complied		
10	Management of Bank Accounts			
10.1	The bank reconciliation statements had been prepared, got certified and made ready for audit by the due date	Complied		
10.2	The dormant accounts that had existed in the year under review or since previous years settled	Complied		
10.3	The action had been taken in terms of Financial Regulations regarding balances that had been disclosed through bank reconciliation statements and for which adjustments had to be made, and had those balances been settled within one month	Complied		
11	Utilization of Provisions			
11.1	The provisions allocated had been spent without exceeding the limit	Complied		
11.2	The liabilities not exceeding the provisions that remained at the end of the year as per the FR 94(1)	Complied		
12	Advances to Public Officers Account			
12.1	The limits had been complied with	Complied		
12.2	A time analysis had been carried out on the loans in arrears	Complied		
12.3	The loan balances in arrears for over one year had been settled	Complied		
13	General Deposit Account			
13.1	The action had been taken as per F.R.571 in relation to disposal of lapsed deposits	Complied		
13.2	The control register for general deposits had been updated and maintained	Complied		
14	Imprest Account			
14.1	The balance in the cash book at the end of the year under review remitted to TOD	Complied		
14.2	The ad-hoc sub imprests issued as per F.R. 371 settled within one month from the completion of the task	Complied		
14.3	The ad-hoc sub imprests had been issued without exceeding the limit approved as per F.R. 371	Complied		
14.4	The balance of the imprest account had been reconciled with the Treasury books monthly	Complied		
15	Revenue Account			
15.1	The refunds from the revenue had been made in terms of the regulations	Complied		
15.2	The revenue collection had been directly credited to the revenue account without credited to the deposit account	Complied		
15.3	Returns of arrears of revenue forward to the Auditor General in terms of FR 176	Complied		
16	Provision of information to the public			
16.1	The staff had been paid within the approved cadre	Complied		
16.2	All members of the staff have been issued a duty list in writing	Complied		

16.3	All reports have been submitted to MSD in terms of their circular no.04/2017 dated 20.09.2017	Complied		
17	Audit and Management Committee			
17.1	An information officer has been appointed and a proper register of information is maintained and updated in terms of Right to Information Act and Regulation	Complied		
17.2	Information about the institution to the public have been provided by Website or alternative measures and has it been facilitated to appreciate/allegation to public against the public authority by this website or alternative measures	Complied		
17.3	Bi- Annual and Annual reports have been submitted as per section 08 and 10 of the RTI Act	Complied		
18	Implementing citizens charter			
18.1	A citizen's charter/ Citizens client's charter has been formulated and implemented by the Institution in terms of the circular number 05/2008 and 05/2018(1) of Ministry of Public Administration and Management	Complied		
18.2	A methodology has been devised by the Institution in order to monitor and assess the formulation and the implementation of Citizens Charter / Citizens client's charter as per paragraph 2.3 of the circular	Complied		
19	Preparation of the Human Resource Plan			
19.1	A human resource plan has been prepared in terms of the format in Annexure 02 of Public Administration Circular No.02/2018 dated 24.01.2018.	Complied		
19.2	A minimum training opportunity of not less than 12 hours per year for each member of the staff has been ensured in the aforesaid Human Resource Plan	Complied		
19.3	Annual performance agreements have been signed for the entire staff based on the format in Annexure 01 of the aforesaid Circular	Complied		It has been informed that it is not necessary to work in accordance with 02/2018 (I) Public administration circular.
19.4	A senior officer was appointed and assigned the responsibility of preparing the human resource development plan, organizing capacity building programs and conducting skill development programs as per paragraph No.6.5 of the aforesaid Circular	Complied		
20	Responses Audit Paras			
20.1	The shortcomings pointed out in the audit paragraphs issued by the Auditor General for the previous years have been rectified	Complied		

