PERFORMANCE REPORT - 2025

Expenditure Head No: 238

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

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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

Objectives:

- Formulation and implementation of fiscal policy in Sri Lanka - One of the key objectives is to design sound fiscal policies that align with the broader economic development objectives of the government.

- Ensure a Sustainable Fiscal Policy Framework – Establish and maintain a fiscal framework that will create long-term economic stability, avoiding high fiscal deficits or unsustainable levels of public debt.

- Preparation of Medium Term Fiscal Strategies – Preparation of Medium Term Fiscal Strategy Statement and Policy Guidelines, incorporating broad macroeconomic objectives including indicators such as budgetary deficit ceilings, debt ratios and revenue targets.

- Coordinating with government agencies and external stakeholders - Collaborate closely with government agencies and external stakeholders to ensure the coherence of fiscal measures and the effective implementation of policy reforms.

- Analysis of Revenue, Expenditure and Macroeconomic Trends – Analyzes national revenue sources, expenditure patterns, and both domestic and global economic trends to accurately formulate fiscal policies, recommend tax reforms, and forecast the government's future fiscal positions.

- Review and Amendment of Tax Policies - formulates tax policy changes, such as broadening the tax base or adjusting tax rates, to enhance revenue buoyancy and improve the equity and efficiency of the tax system.

- Policy Support for Fiscal Sustainability Laws: Aligns departmental activities with legal frameworks such as the Public Financial Management Act and medium-term fiscal targets aimed at controlling the budget deficit and ensuring debt sustainability.

Functions:

- Formulation and Implementation of Fiscal Policies and Medium-Term Fiscal Strategies: Formulate and enforce fiscal policies and medium-term fiscal strategies in coordination with public, private, and international institutions.

- Formulation of Tax Policies and Related Statutory Rules: Formulate tax policies and associated statutory rules and regulations, excluding Customs duties and Special Commodity Levies.

- Management and Review of Fiscal Outcomes and Performance: Manage and continuously review the final outcomes and overall performance of fiscal operations.

- Coordination with Revenue Collection and Budget Execution Agencies: Maintain proper coordination with all revenue-collecting departments, national budget units, and fiscal execution divisions.

- Amendment of Acts in Accordance with Policy Decisions: Direct the process of amending revenue-related Acts and legislation in alignment with policy decisions taken by the Government from time to time.

- Implementation of Requirements under the Public Financial Management Act, No. 44 of 2024.

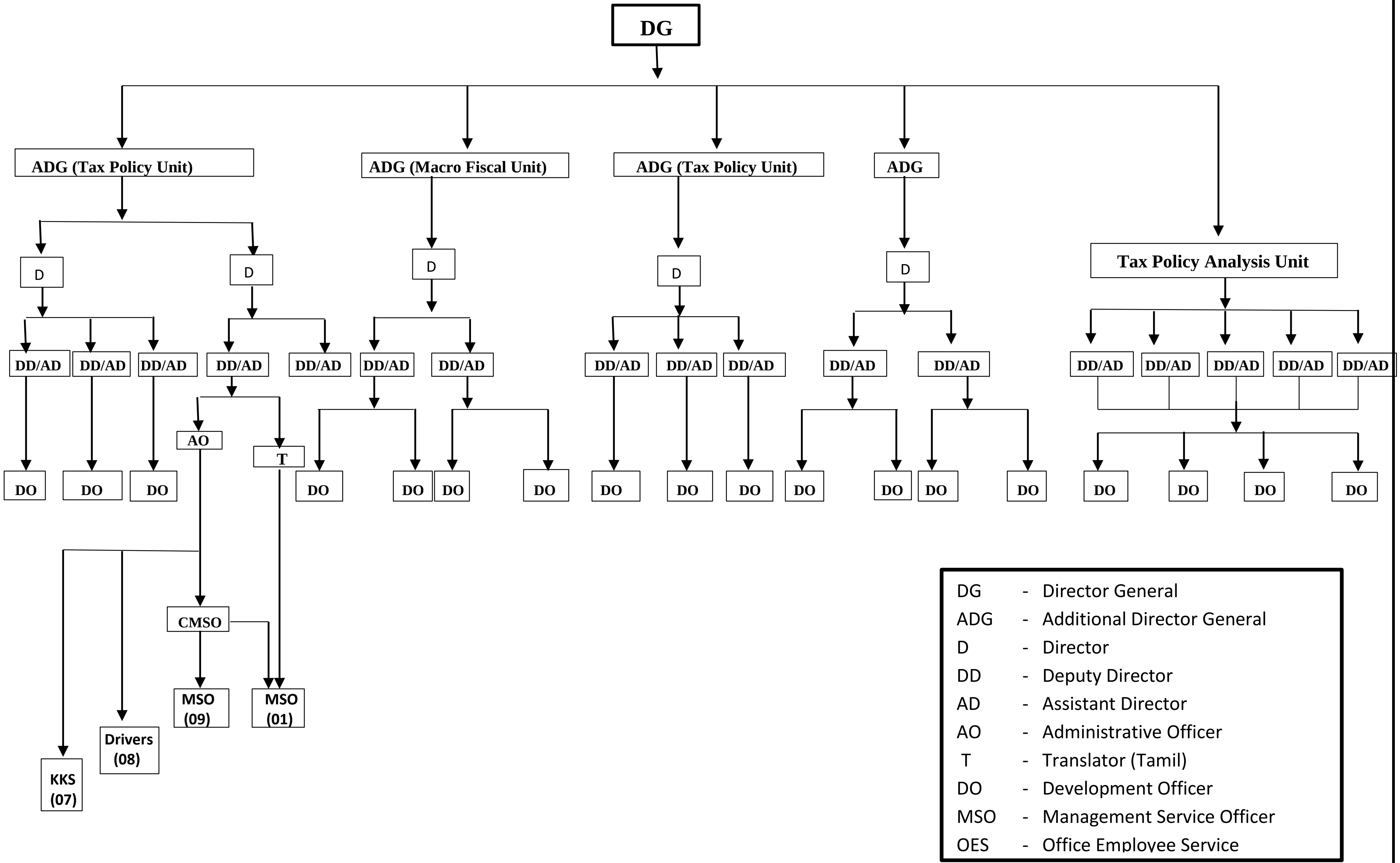
- Conducting Analysis and Research with the Support of the Macro-Fiscal and Tax Policy Analysis Units: Perform analysis and research on various fiscal and macroeconomic matters with the technical support of the Macro-Fiscal Unit.

- Preparation of Drafts and Gazettes for Stable Tax Policy Implementation: Prepare necessary drafts and Gazette notifications through the Tax Policy Unit to ensure stable policy implementation, manage tax exemptions/concessions, and handle related representations.

- Implementation of Budget Proposals and Preparation of Gazettes: Execute budget proposals, facilitate the amendment of relevant Acts, and draft the necessary Gazette notifications.

- Acting as the Coordinating Agency for IMF-Supported Programs in Sri Lanka: Serves as the primary focal point and coordinating body for programs supported by the International Monetary Fund (IMF) within the country.

1.4 Organization Structure - Fiscal Policy Department 2025



02

Progress, Challenges and Goals

2.1 Overview

In 2025, the Government continued its fiscal consolidation process while advancing critical fiscal structural reforms. The government revenue and fiscal balances exceeded the budgeted targets driven by higher revenue collections from motor vehicles, VAT on domestic activities, taxes on external trade and a slower pace of capital expenditure implementation.

The hard-earned gains from the fiscal reforms have further strengthened the fiscal consolidation process, as reflected in the following key outcomes:

(i) The tax revenue-to-GDP ratio rose to 15.4 percent in 2025, up from 7.3 percent in 2022—the highest level recorded since 1997;

(ii) A primary surplus of 5.4 percent was achieved in 2025, compared to the primary deficit of 3.7 percent in 2022;

(iii) A current account surplus of 0.7 percent of GDP was recorded in 2025, marking the first time in the country's history; and

(iv) The fiscal deficit narrowed to 2.3 percent of GDP in 2025, down from 10.2 percent in 2022.

In nominal terms, government revenue including grants increased significantly by 34.1 percent to Rs. 5,485.6 billion in 2025 from Rs. 4,090.8 billion in 2024. This significant expansion in total government revenue was primarily driven by growth in Value Added Tax (VAT) collections. The revenue from VAT rose by 33.4 percent to Rs. 1,746.9 billion in 2025, from Rs. 1,309.7 billion in 2024. This increase is mainly attributed to improved domestic consumption, enhanced taxpayer compliance, higher revenue from VAT on financial services, and the inclusion of motor vehicles in the VAT net.

Excise Duty was also a major contributor to overall revenue performance in 2025. With the exception of excise duty on cigarettes, revenue collection from Excise Duty, recorded a positive growth across all subcategories during the year. Notably, revenue from Excise Duty on motor vehicles more than doubled its annual target for 2025, reflecting the relaxation of the temporary import suspension that had been in Place since 2020. Following the resumption of vehicle imports in February 2025, revenue from Excise Duty on motor vehicles rose significantly by Rs. 413.2 billion, from Rs. 58.6 billion in 2024 to Rs. 471.8 billion in 2025. Revenue from Excise Duty on petroleum increased by 20.2 percent to Rs. 240.6 billion in 2025 from Rs. 200.2 billion in 2024 while the revenue from Excise Duty on liquor grew by 8.5 percent to Rs. 231.5 billion in 2025, from Rs. 213.4 billion in 2024. In contrast, the revenue from Excise Duty on cigarettes declined by 13.2 percent to Rs. 102.7 billion in 2025 from Rs. 118.3 billion in 2024.

Revenue from income tax surpassed Rs.1 trillion for the second consecutive year in 2025, reaching Rs. 1,139.4 billion, up from Rs. 1,026.2 billion in 2024. This represents a year-on-year growth of 11.0 percent and a realization of 97.6 percent of the revenue estimate for 2025. This fiscal performance was attributable to targeted rate increases from 40 percent to 45 percent in liquor, tobacco and betting and gaming sectors, a broadening of the taxable base driven by rising nominal salaries in both the public and private sectors, and the introduction of a 15 percent income tax on service exports to capture revenue from the growing digital economy. The achievement of 97.6 percent of the revenue target reflects a significant improvement in tax administration and an overall strengthening of taxpayer compliance.

Similarly, revenue from the Social Security Contribution Levy (SSCL) increased by 17.4 percent to Rs. 294.5 billion in 2025, from Rs. 250.9 billion in 2024, achieving 111.6 percent of the estimate for the year. This growth was mainly driven by the full-year impact of the reduction in the registration threshold from Rs. 120 million per annum to Rs. 60 million per annum, effective from January 01, 2024.

Revenue from taxes on external trade increased by 49.1 percent to Rs. 711.7 billion in 2025 from Rs. 477.5 billion in 2024, driven by the growth in revenue from Ports and Airports Development Levy (PAL), Special Commodity Levy (SCL), Customs Import Duty (CID) and CESS. Revenue from CID significantly increased by 148.2 percent to Rs. 275.9 billion in 2025, from Rs. 111.1 billion in 2024, mainly due to the imposition of CID on motor vehicles during the year. The revenue from SCL exceeded its estimate for 2025 by

30.6 percentage points, recording a growth of 42.9 percent to Rs. 164.6 billion in 2025 from Rs. 115.2 billion in 2024. This was mainly attributable to the upward revision of duty rates on sugar, B' Onions and potatoes.

Revenue from non-tax sources increased by 22.7 percent to Rs. 400.2 billion in 2025, from Rs. 326.3 billion in 2024 driven primarily by higher receipts from sales and charges.

Summary of Government Revenue

Rs. Million

Item	2022	2023	2024	2025[(a)]
Total Revenue and Grants	**2,012,589**	**3,074,324**	**4,090,808**	**5,485,552**
Total Revenue	**1,979,184**	**3,048,822**	**4,030,838**	**5,449,402**
Tax Revenue	1,751,132	2,720,563	3,704,577	5,049,192
Income Tax	534,021	911,355	1,026,199	1,139,373
Taxes on Goods and Services	875,995	1,420,089	2,200,890	3,198,100
Taxes on External Trade	341,116	389,118	477,488	711,718
Non Tax Revenue	228,052	328,259	326,261	400,210
Grants	**33,405**	**25,502**	**59,970**	**36,150**
As a % of GDP				
Revenue and Grants	**8.4**	**11.2**	**13.6**	**16.7**
Total Revenue	**8.2**	**11.1**	**13.4**	**16.6**
Tax Revenue	7.3	9.9	12.3	15.4
Non Tax Revenue	0.9	1.2	1.1	1.2
Grants	**0.1**	**0.1**	**0.2**	**0.1**

[(a)] *Provisional*

2.2 Tax Policy Reforms

In 2025, Sri Lanka maintained its fiscal consolidation path under the Extended Fund Facility of the International Monetary Fund (IMF-EFF), focusing on correcting structural imbalances while navigating unforeseen external shocks. The year was characterized by a delicate balancing act of providing targeted relief to the public while broadening the tax base through modernized tax administration.

Key tax policy measures undertaken in 2025 included the revision of personal income tax thresholds and rates with a view to providing relief to individual taxpayers. The annual tax-free threshold was increased from Rs. 1,200,000 per annum to Rs. 1,800,000 per annum, effective from April 01, 2025. In parallel, the Corporate Income Tax (CIT) rate applicable on the gains and profits from the manufacture and sale of liquor, tobacco, and betting and gaming was revised upwards from 40 percent to 45 percent. Additionally, a new CIT rate of 15 percent was introduced for income earned in foreign currency and repatriated to Sri Lanka through a licensed bank, covering both professional services rendered to overseas clients and other foreign income.

In addition to the income tax measures introduced, 2025 brought reforms to VAT, SSCL and Excise Duties. The Simplified Value Added Tax System (SVAT), was also repealed with effect from October 1, 2025. This reform, which is a key structural benchmark under the IMF-EFF programme, aims to minimize revenue leakage and administrative complexity. The SVAT system has been replaced by a modern, Risk-Based Refund Scheme (RBRS).

AIT/WHT rates

Category	Rate (%)	Final/Non-Final
Dividend	15	Final
Interest or discount paid	10	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
Non residents	14	Non-Final

In line with the registration threshold reductions introduced in 2024, the SSCL registration threshold will be further reduced from Rs. 60 million per annum to Rs. 36 million per annum effective from July 01, 2026. The measure is expected to broaden the base of liable entities and enhance revenue potential.

In 2025, Excise tax duty rates on all excisable articles with unit rates were revised upward by 5.9 percent, based on the annual inflation-adjusted indexation mechanism first introduced in 2024. Additionally, Excise duty on electric vehicles was increased by 100 percent, effective from February 01, 2025.

Although the late-November landfall of cyclone Ditwah necessitated a swift reallocation of resources toward emergency recovery, including a Rs. 500 billion supplementary budget allocation for 2026, the foundational strength of the revenue performance in 2025 ensured that these fiscal measures remained sustainable without compromising Sri Lanka's long-term fiscal consolidation targets.

2.3 Government Revenue Performance

Total government revenue including grants increased significantly by 34.1 percent to Rs. 5,485.6 billion in 2025 compared to Rs. 4,090.8 billion in 2024, surpassing the Budget Estimate by 9.9 percentage points. As a percentage of GDP, revenue including grants rose by 3.2 percentage points to 16.7 percent in 2025 compared to 13.6 percent in 2024. This was mainly driven by a substantial increase in tax revenue, which grew by 36.3 percent to Rs. 5,049.2 billion in 2025, from Rs. 3,704.6 billion in 2024, largely attributable to higher tax revenue collections from motor vehicles following the removal of import restrictions, and from VAT on domestic activities.

In 2025, tax revenue rose to 15.4 percent of GDP, a notable increase of 3.1 percentage points compared to the 12.3 percent recorded in the previous year, marking the highest tax-to-GDP ratio since 1997. Revenue collections from VAT, the largest contributor to total tax revenue, grew by 33.4 percent to Rs. 1,746.9 billion in 2025 compared to Rs. 1,309.7 billion in 2024. As a percentage of GDP, VAT revenue increased by 1.0 percentage point to 5.3 percent in 2025. This strong performance was primarily driven by higher revenue from imports, particularly from motor vehicles, alongside the recovery of domestic economic activity. VAT revenue from imports increased by 49.2 percent to Rs. 891.4 billion, while VAT revenue from domestic activities increased by 20.1 percent to Rs. 855.5 billion in 2025. Revenue from motor vehicle related taxes including Excise Duty, VAT, CID, Luxury Motor Vehicle Tax rose to 2.8 percent of GDP.

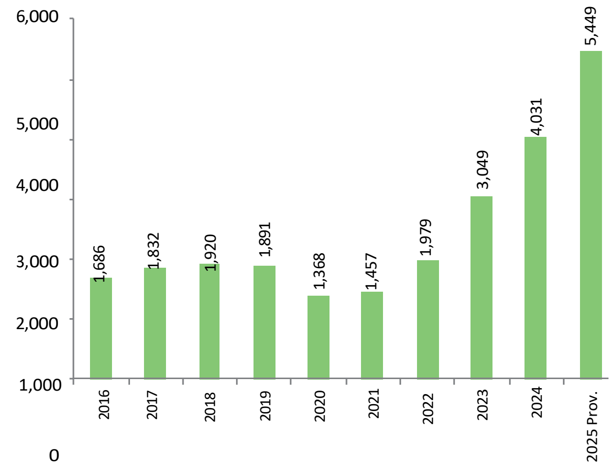
Revenue collected from Income Tax increased by 11.0 percent to Rs. 1,139.4 billion in 2025 compared to Rs. 1,026.2 billion in 2024. In 2025, a series of revenue measures were introduced and implemented, contributing positively to the growth in income tax collections: (i) the revision of the corporate income tax rate on liquor, tobacco, and betting and gaming industries from 40 percent to 45 percent;
(ii) the introduction of 15 percent of income tax on export of services;(iii) the increase of the Withholding Tax (WHT) rate on interest income from 5 percent to 10 percent; and (iv) 19.2 percent increased in the number of registered income taxpayers to 1,302,596 files in 2025, from 2024, reflecting improvements in tax administration.

Revenue form Excise Duty rose by 1.2 percentage points to 3.2 percent of GDP in 2025, from 2.0 percent of GDP in 2024, reflecting higher revenue from motor vehicles imports coupled with upward revisions to Excise Duty rates on excisable articles following the implementation of inflation-adjusted indexation. Despite a decline in Excise Duty revenue from cigarettes, revenue collection from liquor, petroleum and other excisable articles contributed positively to overall revenue.

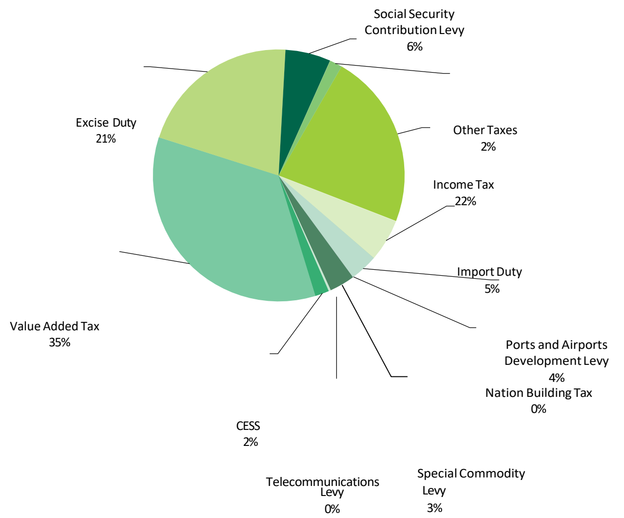
Revenue from CID increased by 0.5 percentage points to 0.8 percent of GDP in 2025, mainly due to the higher revenue collection from the import of motor vehicles. In nominal terms, CID revenue grew by 148.2 percent to Rs. 275.9 billion in 2025 compared to Rs. 111.1 billion in 2024. Furthermore, increases in revenue from SSCL (by 17.4 percent to Rs. 294.5 billion), SCL (by 42.9 percent to Rs. 164.6 billion), PAL (by 6.4 percent to Rs. 180.9 billion) and CESS (by 11.4 percent to Rs. 90.4 billion) positively contributed to overall tax revenue performance.

Government Revenue

(Rs. Billion)



Composition of Tax Revenue - 2025



Estimated and Actual Revenue - 2025

Rs. Million

Item	Revenue Estimate	Provisional	Deviation
Total Revenue	**4,960,000**	**5,449,402**	**489,402**
Tax Revenue	**4,590,000**	**5,049,192**	**459,192**
Department of Inland Revenue			
Tax on Income and Profit	1,167,000	1,139,373	-27,627
VAT - Domestic (Net)	825,000	855,485	30,485
Nation Building Tax (Domestic)	-	81	81
Social Security Contribution Levy (Domestic)	190,000	221,906	31,906
Other	13,220	17,797	4,577
Sub Total	**2,195,220**	**2,234,641**	**39,421**
Department of Customs			
Import Duty	240,000	275,894	35,894
VAT - Imports (Net)	790,000	891,390	101,390
Nation Building Tax (Import)	-	407	407
Social Security Contribution Levy (Import)	74,000	72,614	-1,386
PAL	185,000	180,853	-4,147
Cess Levy	100,000	90,373	-9,627
Special Commodity Levy	126,000	164,599	38,599
Excise Special Provisions			
Cigarettes	130,000	101,173	-28,827
Petroleum	230,000	240,575	10,575
Motor Vehicles & other	239,000	483,872	244,872
Other	1,032	2,278	1,246
Sub Total	**2,115,032**	**2,504,027**	**388,995**
Department of Excise			
Liquor/Tobacco	242,000	233,087	-8,913
Sub Total	**242,000**	**233,087**	**-8,913**
Other			
Telecommunication Levy	18,000	15,127	-2,873
License Tax & Other	19,748	62,310	42,562
Sub Total	**37,748**	**77,437**	**39,689**
Non - Tax Revenue	**370,000**	**400,210**	**30,210**

Revenue collected by Sri Lanka Customs rose significantly to Rs. 2,504.0 billion in 2025 from Rs. 1,523.8 billion in 2024, surpassing the annual estimate by Rs. 389.0 billion. In the same vein, revenue collected by the Department of Inland Revenue increased to Rs. 2,234.6 billion in 2025, from Rs. 1,937.8 billion in 2024, exceeding the annual estimate by Rs. 39.4 billion. In contrast, the Excise Department recorded revenue of Rs. 233.1 billion in 2025, falling short of its annual estimate by Rs. 8.9 billion.

Reflecting the implementation of tax policy reforms, administrative improvements, and the expansion of domestic economic activity, revenue from domestic consumption-based taxes grew by 15.0 percent to Rs. 1,423.9 billion in 2025, from Rs. 1,238.6 billion in 2024. Similarly, import-based tax revenue recorded a notable increase of 70.8 percent, rising to Rs. 2,388.5 billion in 2025 from Rs. 1,398.1 billion in 2024, driven mainly by revenue from motor vehicle imports alongside a 14.0 percent increase in the total import bill to USD 21,480 million in 2025.

Non-tax revenue increased by 22.7 percent to Rs. 400.2 billion in 2025, from Rs. 326.3 billion in 2024. This growth was mainly driven by notable increases across several subcategories: profits and dividends rose by 37.6 percent to Rs. 56.5 billion; interest income increased by 24.7 percent to Rs. 72.0 billion; social security contributions grew by36.4 percent to Rs. 58.8 billion; and fines, fees, and charges increased by 16.9 percent to Rs. 180.9 billion. These gains collectively reflect improved economic conditions and strengthened administrative collections during the year.

Income Tax

Revenue from Income Tax increased by 11.0 percent to Rs. 1,139.4 billion in 2025, from Rs. 1,026.2 billion in 2024, achieving 97.6 percent of the annual estimate for the year. As a percentage of GDP, Income Tax revenue increased marginally by 0.1 percentage points to 3.5 percent in 2025, from 3.4 percent in 2024.

Revenue from personal and corporate taxes increased by 11.8 percent to Rs. 963.6 billion in 2025, from Rs. 862.2 billion in 2024. This was mainly attributable to an increase in corporate income receipts by 16.0 percent to Rs. 677.7 billion in 2025, reflecting the upward revision of the Corporate Income Tax (CIT) rate from 40 percent to 45 percent for the liquor, tobacco, betting, and gaming industries, effective from April 1, 2025, alongside the introduction of a 15 percent tax on income earned from the export of services. Personal Income Tax also increased by 5.4 percent to Rs. 84.8 billion, largely supported by rising wage levels, including the upward adjustment of minimum wages in the private sector effective from April 2025 and the salary revision in the public sector effective from January 2025. Revenue from Advance Personal Income Tax (APIT)/Pay-As-You-Earn (PAYE) receipts increased modestly by 1.8 percent to Rs. 201.1 billion, reflecting the combined effect of the increase in the tax-free threshold for personal income tax from Rs. 1.2 million per annum to Rs. 1.8 million per annum and the broadening of the 18 percent tax bracket both effective from April 1, 2025.

Revenue from WHT increased by 7.3 percent to Rs. 175.8 billion in 2025, from Rs. 163.8 billion in 2024, achieving 76.4 percent of the annual estimate for the year. This growth was mainly driven by the increase in the WHT rate on interest income from 5 percent to 10 percent, effective from April 2025, notwithstanding the introduction of a self-declaration mechanism to exempt WHT deductions on interest income from bank accounts for individuals whose income falls below the personal income tax threshold.

Administrative improvements, underpinned by enhanced compliance efforts and digitalization initiatives, also supported the expansion of the taxpayer base, with new registrations for Corporate Income Tax (CIT) increasing by 24.9 percent and new registrations for Personal Income Tax (PIT) rising by 18.7 percent in 2025.

Phasing out CESS: Transforming Sri Lanka's Trade Landscape

Sri Lanka is undertaking a major reform of its tariff structure through the phased removal of the CESS levy under the Export Development Act, No. 40 of 1979. This reform marks a decisive shift from a complex, protection-oriented regime toward a simpler, more transparent, and globally competitive trade framework.

For years, CESS functioned as both a revenue source and a protective tool for domestic industries. However, its expansion—alongside other para-tariffs—has led to a fragmented tariff structure, increasing the cost of imported inputs and weakening export competitiveness. It has also reduced transparency and predictability in trade policy.

Recognizing these challenges, the Government has initiated a phased reform to rationalize tariffs, reduce production costs, and promote export-led growth.

Policy Framework and Implementation

The reform was introduced under Budget Proposal No. 34.6 of 2023 and implemented through Gazette No. 2325/06. It was further strengthened under Budget Proposal No. 35.3 of 2026, which removed CESS on fabrics while introducing VAT to maintain competitive neutrality.

With Cabinet approval on 03 March 2026, Gazette No. 2479/38 formalized the phased removal of CESS on 2,634 HS codes over four years, aligned with commitments under the World Bank's Development Policy Operation (DPO).

The classification follows the UN Broad Economic Categories (BEC), ensuring consistency across capital, intermediate, and consumption goods.

CESS Phase - Out Schedule						
S/N	**Type Of Goods**	**HS Lines**	**2026**	**2027**	**2028**	**2029**
1	Marginal Rates (<5%)	46	100%	-	-	-
2	Intermediate And Capital Goods	693	50%	25%	25%	-
3	Sensitive Intermediate And Capital Goods	107	-	25%	25%	50%
4	Fabrics	265	100%	-	-	-
5	Consumption Goods	1,523	-	-	-	100%
	Total	**2,634**				

Economic Impact of the Reform

1. **Local Manufacturers**

Removal of CESS on inputs and machinery reduces production costs, enabling improved efficiency, technology adoption, and product quality. However, increased competition from imports may pressure less competitive firms.

2. **Importers**

Lower duties reduce import costs and expand business opportunities. However, increased market entry may intensify competition and compress margins.

3. **Exporters**

Exporters benefit significantly from reduced input costs, improving price competitiveness in global markets and supporting export growth and diversification.

4. **Consumers**

Consumers gain from lower prices, improved quality, and a wider variety of goods due to increased competition

Phasing out CESS: Transforming Sri Lanka's Trade Landscape contd....
Safeguarding Domestic Industries

As Sri Lanka liberalizes trade, it has strengthened WTO-consistent safeguards to protect domestic industries from unfair practices.

1. Trade Remedies

Under the Anti-Dumping and Countervailing Duties Act, No. 2 of 2018: and regulations have already been published by Gazette Extraordinary Notification No.2429/32 dated 27.03.2025.

- Anti-dumping measures address imports sold below fair value
- Countervailing duties offset foreign subsidies

These measures ensure fair competition without restricting legitimate trade.

2. Standards and Technical Regulations

Strengthened product standards and certification—implemented by the Sri Lanka Standards Institution—ensure quality and safety of imports.

- Mandatory certification for key products
- Testing and inspection at borders
- Rejection of substandard goods

These measures protect consumers while maintaining fair competition.

3. Institutional Coordination

Key institutions—including the Ministry of Finance, Planning and Economic Development, Ministry of Industry and Entrepreneurship Development, Department of Trade and Investment Policy, and Department of Import and Export Control, Sri Lanka Standard Institution and Sri Lanka Customs are working together to strengthen enforcement and align regulations with international standards.

A Strategic Policy Shift

The phased removal of CESS reflects a transition from broad tariff protection to targeted, rules-based trade policy instruments. It enhances:

- Transparency and predictability
- Ease of doing business
- Export competitiveness
- Integration into global value chains

At the same time, strengthened safeguards ensure domestic industries remain protected from unfair trade practices.

Conclusion

The CESS phase-out is a critical step in modernizing Sri Lanka's trade regime. By lowering costs, improving efficiency, and aligning with global best practices, the reform supports sustainable, export-led growth. Its success will depend on effective implementation, institutional coordination, and the ability of domestic industries to adapt to a more competitive environment and the government is committed to safeguard local industries and consumers.

Government Revenue

Rs. Million

Item	2021	2022	2023	2024	2025 [a]
Tax Revenue	**1,298,019**	**1,751,132**	**2,720,563**	**3,704,577**	**5,049,192**
Income Tax	302,115	534,021	911,355	1,026,199	1,139,373
VAT	308,213	463,072	694,460	1,309,680	1,746,874
Nation Building Tax	434	413	328	137	488
Excise Duty*	306,898	342,563	469,622	598,529	1,058,707
Import Duties	64,339	50,009	105,120	111,147	275,894
Ports & Airports Development Levy	154,125	180,595	175,486	170,014	180,853
Special Commodity Levy	55,828	40,194	51,327	115,199	164,599
Social Security Contribution Levy	-	36,111	216,181	250,869	294,520
Other	106,067	104,154	96,683	122,804	187,884
Non Tax Revenue	**159,052**	**228,052**	**328,259**	**326,261**	**400,210**
Interest/ Rent	11,556	13,188	33,231	64,192	79,872
Profit and Dividends	30,591	28,092	75,701	41,080	56,543
Sales and Charge	42,645	90,050	146,566	154,731	180,935
Social Security Contribution	34,619	37,416	36,258	43,089	58,794
Central Bank Profit Transfers	15,012	30,007	1,029	-	-
Other	24,630	29,300	35,474	23,170	24,066
Total Revenue	**1,457,071**	**1,979,184**	**3,048,822**	**4,030,838**	**5,449,402**
As a % of GDP					
Tax Revenue	**7.4**	**7.3**	**9.9**	**12.3**	**15.4**
Income Tax	1.7	2.2	3.3	3.4	3.5
VAT	1.7	1.9	2.5	4.4	5.3
Nation Building Tax	...	...	...	...	...
Excise Duty*	1.7	1.4	1.7	2.0	3.2
Import Duties	0.4	0.2	0.4	0.4	0.8
Ports & Airports Development Levy	0.9	0.8	0.6	0.6	0.6
Special Commodity Levy	0.3	0.2	0.2	0.4	0.5
Social Security Contribution Levy	-	0.2	0.8	0.8	0.9
Other	0.6	0.4	0.4	0.4	0.6
Non Tax Revenue	**0.9**	**0.9**	**1.2**	**1.1**	**1.2**
Interest/ Rent	0.1	0.1	0.1	0.2	0.2
Profit and Dividends	0.2	0.1	0.3	0.1	0.2
Sales and Charge	0.2	0.4	0.5	0.5	0.6
Social Security Contribution	0.2	0.2	0.1	0.1	0.2
Central Bank Profit Transfers	0.1	0.1	...	-	-
Other	0.1	0.1	0.1	0.1	0.1
Total Revenue	**8.3**	**8.2**	**11.1**	**13.4**	**16.6**

[a] Provisional
... Negligible
- not available
* Tobacco Tax has been included to Excise Duty

Value Added Tax (VAT)

In nominal terms, revenue from Value Added Tax (VAT) recorded a strong year-on-year increase of 33.4 percent, rising to Rs. 1,746.9 billion in 2025 from Rs. 1,309.7 billion in 2024. This expansion was primarily driven by substantial increases in VAT collections from both domestic economic activities and imports, as well as the full-year impact of the reduction in the VAT registration threshold from Rs. 120 million per annum to Rs. 60 million per annum, effective from January 1, 2024. Revenue from VAT on domestic activities rose by 20.1 percent to Rs. 855.5 billion in 2025, from Rs. 712.2 billion in 2024, of which VAT on financial services accounted for Rs. 198.2 billion, reflecting a significant increase of 64.7 percent, rising from Rs. 120.4 billion in 2024. VAT revenue from imports increased significantly by 49.2 percent to Rs. 891.4 billion in 2025, from Rs. 597.5 billion in 2024, driven largely by the resumption of motor vehicle imports following the removal of the import suspension.

The contribution of VAT to total tax revenue was 34.6 percent in 2025. VAT revenue as a percentage of GDP increased significantly by 1.0 percentage points to 5.3 percent in 2025 compared to 4.4 percent in 2024, underscoring the growing importance of VAT as a key instrument in fiscal consolidation and domestic revenue mobilization efforts.

Notwithstanding this substantial improvement, the full revenue potential of VAT on imports is yet to be realized, reflecting the lagged effects of import restrictions that remained in place during 2024, although such restrictions have been progressively relaxed since late 2024. The overall increase in VAT revenue also reflects improvements in tax administration and enhanced compliance, supported by strengthened enforcement measures and ongoing administrative reforms, which have continued to support revenue mobilization efforts. The number of VAT-registered entities, including those in the financial services sector, increased significantly by 56.3 percent to 33,187 at end December 2025, from 21,227 at end-December 2024. This upward trend extended into 2026, with the number of registered VAT payers rising further to 34,769 by end-February 2026, reflecting sustained efforts to broaden the tax base and strengthen compliance.

Value Added Tax Revenue

Rs. Million

Item	2021	2022	2023	2024	2025[a]
Domestic	185,918	292,293	469,768	712,326	857,620
Imports	122,766	171,478	225,401	598,048	899,932
Gross Revenue	**308,684**	**463,771**	**695,169**	**1,310,374**	**1,757,552**
Refunds	471	699	709	694	10,678
Net Revenue	**308,213**	**463,072**	**694,460**	**1,309,680**	**1,746,874**
Net Revenue as a % of GDP	**1.7**	**1.9**	**2.5**	**4.4**	**5.3**

[a] *Provisional*

Government Tax Revenue - By Source

Rs. Million

Source	2024	2025[a]	2024/2025 Change (%)
Income Tax	**1,026,199**	**1,139,373**	**11.0**
Domestic Consumption Based Taxes	**1,238,560**	**1,423,851**	**15.0**
VAT - Domestic	712,187	855,485	20.1
NBT - Domestic	130	81	-37.8
SSCL - Domestic	186,477	221,906	19.0
Tax on Liquor	213,390	231,542	8.5
Tax on Cigarettes /Tobacco	118,339	102,718	-13.2
Other (Excise)	8,039	12,120	50.8
Import Based Taxes	**1,398,143**	**2,388,456**	**70.8**
Import Duties	111,147	275,894	148.2
VAT - Import	597,493	891,390	49.2
NBT - Import	8	407	5,268.3
SSCL - Import	64,392	72,614	12.8
PAL	170,014	180,853	6.4
SCL	115,199	164,599	42.9
Cess Levy	81,129	90,373	11.4
Petroleum - Excise	200,200	240,575	20.2
Motor Vehicles - Excise	58,562	471,751	705.6
Licence and Other	**41,675**	**97,512**	**134.0**
Telecommunications Levy	15,927	15,127	-5.0
Other	25,748	82,385	220.0
Total Tax Revenue	**3,704,577**	**5,049,192**	**36.3**

[a] *Provisional*

Social Security Contribution Levy (SSCL)

Revenue from Social Security Contribution Levy (SSCL) increased by 17.4 percent to Rs. 294.5 billion in 2025 from Rs. 250.9 billion in 2024. This growth was driven by the expansion of both domestic and import activities, with revenue from domestic activities rising by 19.0 percent to Rs. 221.9 billion and revenue from imports rising by 12.8 percent to Rs. 72.6 billion. The number of entities registered for SSCL rose by 34.0 percent to 16,206 in 2025 from 12,097 in 2024, reflecting the full-year effect of the lower registration threshold, which was reduced from Rs. 120.0 million per annum to Rs. 60.0 million per annum effective from January 1, 2024. The revenue realization from SSCL stood at 111.6 percent of the annual estimate.

Excise Duty

Total revenue from Excise Duty, third largest contributor to the tax revenue, increased significantly by 76.9 percent in 2025 to Rs. 1,058.7 billion from Rs. 598.5 billion in 2024, reflecting stronger performance across several key excisable categories. This growth was largely driven by higher collections from motor vehicles, petroleum products, and liquor, supported by the full-year impact of excise duty rate revisions implemented effective from January 11, 2025, based on inflation-adjusted indexation of excisable articles.

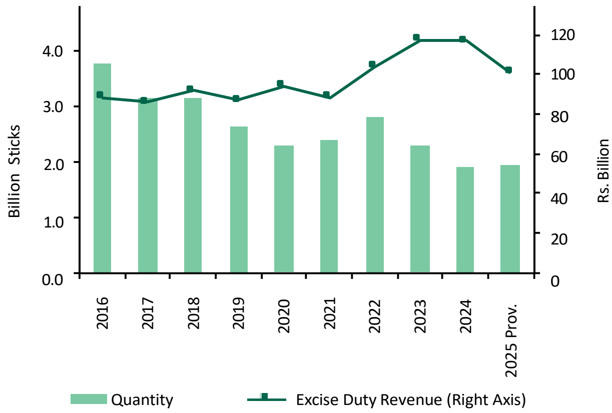
Excise Duty Revenue

Rs. Million

Item	2021	2022	2023	2024	2025[a]
Liquor	138,637	165,188	170,260	213,390	231,542
Cigarettes (Including Tobacco)	88,576	104,200	118,481	118,339	102,718
Motor Vehicles	18,113	14,504	32,526	58,562	471,751
Petroleum Products	55,339	53,074	143,642	200,200	240,575
Other	6,234	5,598	4,713	8,039	12,120
Total	**306,898**	**342,563**	**469,622**	**598,529**	**1,058,707**

[a] *Provisional*

Cigarette Production and Excise Duty Revenue



Revenue from Excise Duty on motor vehicles rose significantly to Rs. 471.8 billion in 2025 from Rs. 58.6 billion in 2024 primarily driven by the relaxation of temporary import restrictions on motor vehicles effective from February 1, 2025.Revenue from Excise Duty on petroleum products increased by 20.2 percent to Rs. 240.6 billion in 2025 from Rs. 200.2 billion in 2024, mainly due to a slight increase in import quantities. Revenue from cigarettes including tobacco, however, declined by 13.2 percent to Rs. 102.7 billion in 2025 from Rs. 118.3 billion in 2024.

Production and Excise Tax Collection from Liquor and Cigarettes

Year	Quantity Produced						Excise Tax Revenue			
	Hard Liquor (Liter Mn)	% Change	Malt Liquor (Liter Mn)	% Change	Cigarettes (Mn Sticks)	% Change	Liquor (Rs.Bn)	% Change	Cigarettes (Rs. Bn)	% Change
2015	51.8	17.9	125.8	1.0	4,116	9.0	105.9	53.3	80.0	39.9
2016	55.6	7.3	52.2	-58.5	3,789	-7.9	120.8	14.1	88.8	11.0
2017	46.9	-15.5	71.1	36.3	3,149	-16.9	113.7	-5.9	86.0	-3.2
2018	25.3 [a]	-46.1	11.4 [a]	-84.0	3,150	0.02	113.9	0.2	92.2	7.2
2019	24.7	-2.4	19.1	67.9	2,622	-16.8	115.4	1.3	87.4	-5.2
2020	22.0	-10.9	11.4	-40.4	2,287	-12.8	121.0	4.9	94.3	8.0
2021	25.0	13.6	12.5	9.6	2,384	4.3	138.6	14.6	88.5	-6.2
2022	27.0	8.0	14.1	12.8	2,825	18.5	165.2	19.2	104.2	17.6
2023	20.4	-24.3	13.6	-3.5	2,303	-18.5	170.3	3.1	117.5	12.8
2024	19.2	-5.8	14.2	4.9	1,923	-16.5	213.4	25.3	117.1	-0.3
2025	22.3	16.1	15.0	5.6	1,935	0.6	231.5	8.5	101.2	-13.6

[a] *After the 2017 Hard Liquor & Malt Liquor Production is Absolute liters*

Liquor Production and Excise Tax Revenue

Revenue from Excise Duty on other excisable items, including sweetened beverages, refrigerators, palm oil, and fatty acids, increased by 50.8 percent, to Rs. 12.1 billion in 2025 from Rs. 8.0 billion in 2024, largely attributable to the 5.9 percent rate revision implemented effective from January 11, 2025, based on inflation-adjusted indexation of excisable articles.

Revenue from Excise Duty on liquor increased by 8.5 percent to Rs. 231.5 billion in 2025 from Rs. 213.4 billion in 2024, contributing 21.9 percent to the total Excise Duty revenue. This growth was supported by 5.9 percent duty rate revision implemented effective from January 11, 2025, in line with the policy of inflation-adjusted indexation of excise taxes, with revenue realization reaching 96.5 percent of the estimate. However, the production of both hard liquor and malt liquor increased by 11.7 percent to 37.3 million absolute liters in 2025 from 33.4 million absolute liters in 2024.

Structure of the Amendment of the Excise Duty on Liquor

Liquor Category	Previous Duty per Absolute Liter (Rs.) (From 01.01.2024)	New Duty per Absolute Liter (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

Customs Import Duty (CID)

Revenue from Customs Import Duty (CID) increased significantly by 148.2 percent to Rs. 275.9 billion in 2025 from Rs. 111.1 billion in 2024. This growth was mainly driven by the resumption of motor vehicle imports, which alone contributed 53.0 percent of CID revenue at Rs 146 billion, as well as the gradual recovery in import demand and the normalisation of trade activities. Other major contributors to CID revenue included milk powder, lubricant oils, and wheat grain.

Special Commodity Levy (SCL)

Revenue from the Special Commodity Levy (SCL) increased significantly by 42.9 percent to Rs. 164.6 billion in 2025 from Rs. 115.2 billion in 2024, driven by upward rate revisions on selected commodities, including sugar, B’ Onions, and potatoes, as well as increased import volumes of essential goods. The highest SCL revenue was generated from potatoes, B’ Onions, sugar, and coconut oil. SCL revenue exceeded the annual estimate of Rs. 126.0 billion, by Rs. 38.6 billion.

Ports and Airports Development Levy (PAL)

Revenue from the Ports and Airports Development Levy (PAL) increased by 6.4 percent to Rs. 180.9 billion in 2025 from Rs. 170.0 billion in 2024, supported by the continued application of the levy on a broad range of imported goods and improved Customs enforcement mechanisms. Major revenue-generating items under PAL included crude petroleum oil, milk powder, steel, and cement clinkers.

Commodity Exports Subsidy Scheme (CESS)

Revenue from the Commodity Export Subsidy Scheme (CESS) levy on imports and exports increased by 11.4 percent to Rs. 90.4 billion in 2025 from Rs. 81.1 billion in 2024, primarily driven by the increased import volumes following the relaxation of restrictions on non-essential imports. Revenue from CESS on imports rose by 12.1 percent to Rs. 88.7 billion in 2025 from Rs. 79.1 billion in 2024, while revenue from CESS on exports declined to Rs. 1.6 billion in 2025 from Rs. 2.0 billion, with tea and coconut-based products remaining the primary contributors to export CESS revenue.

CESS Revenue from International Trade and Government Subsidy for Agriculture Sector Development: 2023-2025

Rs. Million

Description	2023	2024	2025 [a]	Description	2023	2024	2025 [a]
CESS ON EXPORTS	**2,229**	**1,996**	**1,644**	**Commercial Crop Development**	**56,008**	**41,518**	**39,612**
Tea-under Tea (Tax and Control of Export) Act, Sri Lanka Tea Board Law	523	415	369	Tea	686	499	745
Rubber-under Rubber Replanting Subsidy Act	7	11	24	Rubber	655	515	495
Coconut-under Coconut Development Act	186	213	160	Coconut	450	500	718
EDB Cess- under Sri Lanka Export Development Act	1,513	1,357	1,092	Cashew	47	55	8
CESS ON IMPORTS	**54,955**	**79,133**	**88,728**	Minor Export Crops (Cinnamon, Cocoa, Coffee, Pepper)	388	370	831
Imports- under Sri Lanka Export Development Act	54,955	79,133	88,728	Fertilizer Subsidy for Total Agriculture Sector Development	53,782	39,579	36,815
Total	**57,184**	**81,129**	**90,373**	**Total**	**56,008**	**41,518**	**39,612**

[a] *Provisional*

The 4 - Band Customs Import Duty Reform

1. **Overview**

The introduction of the 4-Band Customs Import Duty (CID) framework, published on 03 March 2026 under Gazette Notification No. 2478/03, with effect from 1 April 2026, marks a significant structural reform under Sri Lanka's National Tariff Policy (NTP). The reform rationalizes the existing tariff regime, enhances transparency, and aligns with international best practices.

The reform supports the national development agenda of "*Thriving Nation, A Beautiful Country*" and contributes towards achieving the medium-term export target.

2. **Key Features of the Reform**

The reform introduces a streamlined and standardized tariff structure with the following features:

- Adoption of a four-band tariff system
- Alignment with United Nations Broad Economic Categories (BEC) Rev.5
- Reduction of tariffs on inputs to support domestic production
- Rationalization of tariffs on consumption goods
- Maintenance of stability across the majority of tariff lines

3. **Tariff Structure**

The revised tariff system, as published in Extraordinary Gazette Notification No. 2478/03 dated 03 March 2026, comprises a four-band Customs Import Duty (CID) structure consisting of 0 percent, 10 percent, 20 percent and 30 percent tariff bands, classified into two groups based on the economic categories of goods under the United Nations Broad Economic Categories (BEC) Rev.5, as follows:

Methodology

CID Rate	Category	Objective
0%	Intermediate and Capital Goods	Ensure supply continuity & promote production
10%	Intermediate and Capital Goods	Ensure supply continuity & promote production
20%	Consumption Goods	Revenue mobilization & demand management
30%	Consumption Goods	Revenue mobilization & demand management

4. **Coverage and Distribution**

The reform covers a total of 8,225 HS lines, of which 85.2 percent remain unchanged, ensuring policy continuity.

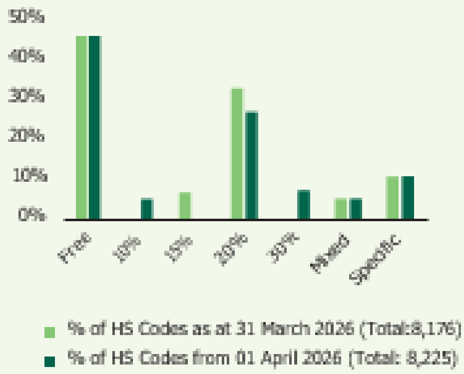
In addition, 76 new HS sub-divisions were introduced, 27 sub-divisions were removed, and selected descriptions have been amended to improve classification accuracy and regulatory oversight.

Distribution of Customs Import Duty Rates by HS Codes

CID Rate Category	As at 31 March 2026		Effective from 01 April 2026	
	No. of HS Codes	%	No. of HS Codes	%
0% (Free)	3,725	45.6%	3,756	45.7%
10%	-	-	406	4.9%
15%	526	6.4%	-	-
20%	2,660	32.5%	2,195	26.7%
30%	-	-	582	7.1%
Mixed Rates	413	5.1%	411	5.0%
Specific Rates	852	10.4%	875	10.6%
Total	**8,176**	**100.0%**	**8,225**	**100.0%**

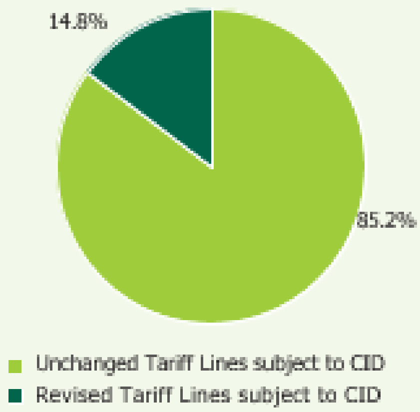
The 4 - Band Customs Import Duty Reform contd...

Distribution of CID Rates across Total HS Codes



Data Source: Department of Trade and Investment Policy

Distribution of Tariff Lines subject to CID - Stability & Adjustment



Key Sectoral Coverage under the 4-Band CID Structure

CID Band in line with BEC Rev.5	CID Rate	Sectoral Coverage	Key Product Categories
Capital Goods & Intermediate	0% 10%	Agriculture, Manufacturing, Construction, Services, etc.	Agricultural inputs, food and agro-industrial inputs, essential oils, chemicals, minerals, plastics and rubber, leather, wood, metals, glass, machinery, electrical equipment, precision instruments, etc.
Consumption Goods	20%	Processed Foods, Household Appliances, Musical Instruments, etc.	Dairy products, processed foods, household appliances, textiles, media equipment, musical instruments, works of art, collectors' pieces and antiques, selected regulated goods, etc.
Consumption Goods- including Luxury Items	30%	Lifestyle, Toys, Transport, etc.	Personal care items, motor vehicles, watches, toys, sunglasses, etc.

5. Safeguard Arrangements

To ensure a smooth implementation, the following measures have been adopted:

- Selected intermediate goods are temporarily retained at 20 percent to safeguard Government revenue
- Specific rates remain unchanged
- Goods subject to the free rate of CID remain unchanged
- Tobacco and liquor excluded from the methodology
- Targeted adjustments based on sectoral requirements

The 4 - Band Customs Import Duty Reform contd...

Key Tariff Adjustments under the 4-Band Structure

The following key adjustments have been introduced under the 4-Band CID Reform:

(a) Reduction of tariffs on intermediate goods
Intermediate goods previously subject to 15 percent tariffs are reduced to 10 percent to lower input costs and enhance industrial competitiveness.

(b) Rationalization of tariffs on consumption goods
Consumption goods are restructured at 20 percent or 30 percent based on essentiality and domestic production considerations.

(c) Retention of selected goods at 20 percent
Certain intermediate goods are temporarily retained at 20 percent, taking into account revenue implications and sector-specific considerations.

(d) Streamlining of mixed-rate structures
Mixed-rate tariffs are rationalized and adjusted in line with the revised tariff bands.

(e) Maintenance of stability across tariff lines
A majority of tariff lines remain unchanged to ensure continuity and investor confidence.

(f) Sector-specific adjustments
Targeted adjustments are made in selected sectors to balance production support, revenue mobilization, and consumer considerations.

(g) Exclusions from the 4-band structure
Goods subject to Specific rates, as well as tobacco and liquor products, remain outside the framework to maintain revenue certainty and policy objectives.

6. Fiscal Impact

The estimated impact on Government revenue is less than 0.1 percent of Gross Domestic Product (GDP), based on calculations derived from import statistics for the years 2024 and 2025 based on data from Sri Lanka Customs and GDP data from the Central Bank of Sri Lanka.

7. Expected Outcomes

The reform is expected to:

a. Improve industrial competitiveness by lowering the cost of production
b. Enhance investment attractiveness
c. Increase transparency in tariff administration
d. Support export growth
e. Strengthen the production base of the economy

8. Conclusion

The 4-Band Tariff Reform establishes a streamlined, transparent, and rules-based tariff framework aligned with international best practices in goods classification and national economic objectives. Lower tariffs on intermediate and capital goods, together with the application of 20 percent or 30 percent bands on consumption goods, support industrial competitiveness, export growth, and efficient resource allocation. Stability across most tariff lines, supported by targeted safeguards, ensures a smooth transition with minimal disruption, thereby strengthening the foundation for a competitive and resilient economy.

Other Taxes

Telecommunication Levy (TL)

Revenue from the Telecommunication Levy fell by 5.0 percent to Rs. 15.1 billion in 2025 from Rs.15.9 billion in 2024, reflecting reduced consumer spending on traditional telecommunication services as users shifted towards more affordable packages.

In terms of sector performance, fixed access service connections declined from 3.4 million to 2.6 million in 2025, reflecting the sustained reduction in reliance on traditional landline services while fixed internet and email subscribers decreased from 2.5 million in 2024 to 1.9 million over the same period. In contrast, cellular phone subscribers increased approximately 29.5 million in 2025 from 28.8 million in 2024, and mobile broadband subscribers rose to around 21.9 million from 20.6 million in 2024, indicating continued expansion in mobile connectivity.

Embarkation Levy (EL)

Revenue from the embarkation levy increased by 39.6 percent to Rs. 53.5 billion in 2025 from Rs. 38.3 billion in 2024, driven by strong growth in tourist arrivals, which rose by 15.1 percent to 2,362,521 persons in 2025 from 2,053,465 persons in 2024.

Betting and Gaming Levy (BG)

The revenue from Betting and Gaming Levy increased by 4.4 percent to Rs.10.2 billion in 2025 from Rs. 9.8 billion in 2024, reflecting the expansion of entertainment activities with several international casinos entering the market during the year. Within this, the annual levy on persons carrying out the business of a bookmaker or the business of gaming declined by 11.5 percent to Rs. 3.3 billion in 2025 from Rs. 3.7 billion in 2024, while the levy on the gross collection of the business of a bookmaker or the business of gaming increased by 14.6 percent to Rs. 6.0 billion in 2025 from Rs. 5.2 billion.

Non-tax Revenue

Non-tax revenue increased by 22.7 percent to Rs. 400.2 billion in 2025 from Rs. 326.3 billion in 2024, reflecting growth across all non-tax revenue categories, with a share of GDP rising by 0.14 percentage points to 1.22 percent in 2025 from 1.08 percent in 2024.

Interest income rose by 24.7 percent to Rs. 72.0 billion in 2025 from Rs. 57.8 billion in 2024. Profits and dividends increased by 37.6 percent to Rs. 56.5 billion in 2025 from Rs. 41.1 billion in 2024, mainly due to the improved performance of State-Owned Enterprises (SOEs) supported by the SOE reforms and broader economic growth. Revenue from fines, fees, and charges increased by 16.9 percent to Rs. 180.9 billion in 2025 from Rs. 154.7 billion, driven by the upward revision of fees and charges that had remained unchanged over the preceding three years. Social security contributions increased by 36.4 percent to Rs. 58.8 billion in 2025 from Rs. 43.1 billion in 2024, mainly due to salary increases of government officers and the upward revision of the social security contribution rate.

Non-Tax Revenue

Rs. Million

Item	2024	2025 [(a)]	2024/2025 (% change)	2025 (% of Total Non Tax Revenue)
Interest/Rent	64,192	79,872	24.4	20.0
Profits and Dividends	41,080	56,543	37.6	14.1
Fines, fees and charges	154,731	180,935	16.9	45.2
Social Security Contribution	43,089	58,794	36.4	14.7
Other	23,170	24,066	3.9	6.0
Total	**326,261**	**400,210**	**22.7**	**100.0**

Sources: Department of Treasury Operations, Department of State Accounts and Department of Fiscal Policy

[(a)] *Provisional*

Variance Analysis of Government Revenue (Contd)

Rs. Billion

Item	2024	2025 Estimate	2025[(a)]	Major Reasons for Variance
Income Taxes	1,026.2	1,167.0	1,139.4	Revenue from income tax increased by 11.0 percent to Rs 1,139.4 billion in 2025 from Rs. 1,026.2 billion in 2024, realizing 97.6 percent of the estimate. This performance was mainly driven by: - Increased wages of the public and private sectors; - Expansion of domestic economic activities; - Increased CIT rate from 40 percent to 45 percent on the liquor, tobacco and betting and gaming industries with effect from 01.04.2025; - Imposition of 15 percent income tax on export of services with effect from 01.04.2025; - Increased WHT rate on interest from 5 percent to 10 percent with effect from 01.04.2025; - Strengthened tax administration measures to broaden the tax base contributed to a 19.2 percent rise in registered taxpayers to 1,302,596 in 2025 from 1,093,134 in 2024 ; and - Increased Capital Gains tax revenue to Rs. 8.0 billion in 2025 from Rs. 1.9 billion in 2024. However, the upward revision of the tax-free threshold for PAYE tax from Rs. 1.2 million to Rs. 1.8 million per annum together with broadened 18 percent tax slab effective from 01.04.2025, had a negative impact on income tax revenue.
Value Added Tax (VAT)	1,309.7	1,615.0	1,746.9	VAT Revenue increased by 33.4 percent to Rs. 1,746.9 billion in 2025 from Rs. 1,309.7 billion in 2024, achieving 108.2 percent of the annual estimate. This significant performance was mainly driven by: - the lifting of import restrictions on motor vehicles; - a 14.0 percent increase in total imports to USD 21,480 million in 2025; - Increased VAT on financial services rose by 64.7 percent to Rs. 198 billion in 2025, reflecting the improved financial sector performance and one-off payment of approximately Rs. 38 billion related to ISB impairment and CPC loan repayment; - Expanded domestic economic activities; and - Increased number of registered taxpayers by 56.3 percent to 33,187 at end 2025 from 21,227 at end 2024, reflecting improved VAT compliance.

Variance Analysis of Government Revenue (Contd)

Rs. Billion

Item	2024	2025 Estimate	2025[a]	Major Reasons for Variance
Excise Duty	598.5	841.0	1,058.7	Revenue from Excise Duty increased by 76.9 percent, to Rs. 1,058.7 billion in 2025, from Rs. 598.5 billion in 2024, surpassing the annual estimate by 25.9 percent. This strong performance was primarily driven by: - Increased revenue from Excise Duty on motor vehicles, following relaxation of import restrictions on all types of motor vehicle imports with effect from February 2025;
				- Increased Excise Duty rate on excisable articles including motor vehicles, cigarettes, sugar-based beverages etc. under Excise (Special Provisions) Act, No. 13 of 1989 by 5.9 percent based on an annual inflation indexation; - Increased petrol and diesel import volumes to 1.3 Mt Mn and 1.2 Mt Mn, respectively in 2025 from 1.2 Mt Mn and 1.17 Mt Mn, respectively in 2024; - Increased Excise Duty rate on liquor by 5.9 percent based on an annual inflation indexation and increased production of both hard liquor and malt liquor by 11.7 percent to 37.3 Mn liters in 2025 from 33.4 Mn liters in 2024.; and - Increased revenue from other excisable articles such as sugar-based beverages, refrigerators, palm oil and fatty acids by 50.8 percent to Rs. 12.1 billion. However, a decline in revenue from cigarettes by 13.2 percent negatively contributed to the excise duty revenue.
Customs Import Duties	111.1	240.0	275.9	Revenue collection from Customs Import Duty (CID) increased by 148.2 percent to Rs. 275.9 billion in 2025 from Rs. 111.1 billion in 2024, achieving 115.0 percent of the annual budget estimate. This strong performance was primarily driven by the following reasons; - the imposition of a 20 percent CID on motor vehicles with effect from 28.01.2025; - a 50 percent surcharge on import duties for motor vehicles with effect from 01.02.2025; and - a 14.0 percent increase in total imports to USD 21,480 Mn in 2025.
Port and Airport Development Levy (PAL)	170.0	185.0	180.9	Revenue from PAL increased by 6.4 percent to Rs. 180.9 billion in 2025, realising 97.8 percent of the annual budget estimate. This performance was mainly driven by; - a 14.0 percent increase in total imports to USD 21,480 Mn in 2025.

Variance Analysis of Government Revenue (Contd)

Rs. Billion

Item	2024	2025 Estimate	2025(a)	Major Reasons for Variance
Special Commodity Levy (SCL)	115.2	126.0	164.6	The revenue from SCL increased by 42.9 percent to Rs. 164.6 billion, realising 130.6 percent of the annual estimate. This strong performance was largely supported by following reasons: - The upward revision of duty rates on potatoes, rice, salt and B'onions; and - a 10.5 percent increase in value of imports of major commodity items, including dairy products, oils and fats
Social Security Contribution Levy (SSCL)	250.9	264.0	294.5	Revenue from SSCL increase by 17.4 percent to Rs. 294.5 billion in 2025, realizing 111.6 percent of the annual estimate, driven by a 14 percent increase in total imports to USD 21,480 Mn in 2025 and the expansion of domestic economic activities.
Other Taxes	122.9	152.0	188.4	The revenue from other taxes increased by 53.2 percent to Rs. 188.4 billion in 2025 from Rs. 122.9 billion in 2024. The realization of other tax revenue was 123.9 percent of the annual estimate for 2025. This was primarily driven by: - Revenue from CESS Levy increased by 11.4 percent owing to the increase in imports; and - Increased revenue from Luxury tax on motor vehicles to Rs. 52.1 billion in 2025 compared to Rs. 3.0 billion in the same period of 2024 with the relaxation of restrictions on motor vehicle imports. - Increased Share Transaction Levy to Rs. 7.5 billion in 2025 from Rs. 3.1 billion in 2024 reflecting the improvements in share market movements. However, revenue from Telecommunication Levy dropped by 5.0 percent reflecting lower usage of fixed line telecommunication services and reduction of voice communication both foreign and local.
Non-Tax Revenue	326.3	370.0	400.2	Revenue from non-tax sources increased by 22.7 percent to Rs 400.2 billion in 2025, realizing 108.2 percent of the annual estimate. This growth was mainly driven by increased revenue from profits and dividends from SOEs, interest income, rent, fines, fees, and charges and receipts from the Social Security Contribution.
Total	**4,030.8**	**4,960.0**	**5,449.4**	

(a) *Provisional*

Major Fiscal Measures: January 2025 – April 2026

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,

Marginal Tax Rate (%)	Annual Taxable Income (Rs. Mn)	
	Previous Tax Slabs	Current Tax Slabs
0	Up to 1.2	Up to 1.8
6	1.2 -1.7	1.8 -2.8
12	1.7 - 2.2	-
18	2.2 - 2.7	2.8 - 3.3
24	2.7 - 3.2	3.3 - 3.8
30	3.2 - 3.7	3.8 - 4.3
36	Over 3.7	Over 4.3

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.

<table>
<tr><td colspan="2">Stamp Duty- Stamp Duty (Special Provisions) Act, No. 12 of 2006</td></tr>
<tr><td>01.04.2025</td><td>Gazette Notification No. 2429/39 dated 27.03.2025
- 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).</td></tr>
<tr><td>24.02.2026</td><td>Gazette Notification No. 2477/22 dated 24.02.2026
- To exempt the Stamp Duty of Rs. 25/= levied on receipts issued for payments exceeding Rs. 25,000/= made by the Government to persons affected by disasters, in respect of Stamp Duties payable on disaster relief allowances.</td></tr>
<tr><td colspan="2">Gambling Regulatory Authority - Gambling Regulatory Authority Act No. 17 of 2025</td></tr>
<tr><td>03.09.2025</td><td>To establish a Gambling Regulatory Authority with the purview,
a. To regulate and control gambling activities;
b. To ensure the collection of revenue in relation to gambling;
c. To ensure transparency and good governance in the conduct of gambling;
d. To promote public confidence in the integrity of the gambling industry;
e. To ensure that gambling is conducted in a fair and transparent manner</td></tr>
<tr><td colspan="2">Betting and Gaming Levy - Betting and Gaming Levy Act, No. 40 of 1988</td></tr>
<tr><td>17.12.2025

w.e.f.
01.01.2026</td><td>Betting and Gaming Levy (Amendment) Act, No. 25 of 2025
- The Betting and Gaming Levy Act, No. 40 of 1988 was amended to give effect to the following revenue measures proposed in the Budget Speech 2025:
• To increase the Gross Collection Levy from 15 percent to 18 percent; and
• To increase the Casino Entrance Levy imposed on Sri Lanka citizens from USD 50 to USD 100.</td></tr>
<tr><td colspan="2">Social Security Contribution Levy (SSCL) – Social Security Contribution Levy Act, No. 25 of 2022</td></tr>
<tr><td>09.04.2026

w.e.f.
01.07.2026

w.e.f.
01.05.2026</td><td>Social Security Contribution Levy (Amendment) Act, No. 10 of 2026
1. To reduce the annual turnover threshold for the registration of Social Security Contribution Levy (SSCL) from Rs. 60 million to Rs. 36 million with effect from July 01, 2026; and
2. To impose SSCL at the time of importation or manufacture and sale of motor vehicles, and to exempt motor vehicles from SSCL at the point of after-sales transactions, with effect from May 01, 2026.</td></tr>
<tr><td colspan="2">Value Added Tax (VAT)- Value Added Tax Act, No. 14 of 2002</td></tr>
<tr><td>01.01.2024</td><td>Value Added Tax (Amendment) Act, No. 4 of 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.

To issue the permanent VAT Registration Certificate when the import/export is done for commercial purposes, disregarding the facts</td></tr>
</table>

11.04.2025	1. That the goods are exempted from VAT or the importer/exporter is below the VAT registration threshold.
11.04.2025	2. 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	3. To exempt the supply of locally produced liquid milk and yoghurt from VAT.
w.e.f. 01.10.2025	4. 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	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.
31.10.2025	Gazette Notification No. 2460/44 dated 31.10.2025 - To set Regulations for the management of the Value Added Tax Refund Fund under section 71 of the Value Added Tax Act, No. 14 of 2002.
07.11.2025	Gazette Notification No. 2461/43 dated 07.11.2025 - To establish a weight-based valuation method for determining the VAT payable on imported precious and semi-precious stones.
01.04.2026	Gazette Notification No. 2478/07 dated 03.03.2026 - To remove zero rate VAT on imported fabric and apply standard VAT rate.
Excise (Special Provisions) Duty -Excise (Special Provisions) Act, No. 13 of 1989	
11.01.2025	Gazette Notification No. 2418/43 dated 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 dated 31.01.2025 - To increase the Excise Duty on Electric Vehicles.
29.04.2025	Gazette Notification No. 2434/04 dated 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.
01.04.2026	Gazette Notification No. 2478/06 dated 03.03.2026 - To impose Excise Duty on newly created National Sub Divisions, with rates assigned based on the prevailing rate applicable to the relevant HS Heading/ Sub Division.
Excise (Ordinance) Duty – Excise Ordinance (Chapter 52)	
11.01.2025	Excise Notification No.01/2025 (Gazette Notification No. 2418/42 dated 10.01.2025) - To increase the Excise Duty on liquor by 5.9 percent based on an annual inflation adjustment indexation.
28.10.2025	Excise Notification No.02/2025 (Gazette Notification No. 2460/02 dated 27.10.2025) - To reduce the time period for the payment of Excise Duty on the production of Liquor.
12.12.2025	Excise Notification No.03/2025 (Gazette Notification No. 2466/22 dated 11.12.2025) - To revise the Annual Excise License Fee and the Security Deposit and to impose one-time fee for industry entry.

Tobacco Tax - Tobacco Tax Act, No. 08 of 1999	
02.04.2025	Gazette Notification No. 2430/16 dated 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 Developments Levy Act, No. 18 of 2011	
08.11.2025	Gazette Notification No. 2461/44 dated 07.11.2025 - To continue the existing exemption from PAL for newly created National Sub Divisions (NSDs).
01.04.2026	Gazette Notification No. 2478/05 dated 03.03.2026 - To impose PAL on newly created National Subdivisions, with rates assigned based on the prevailing rate applicable to the relevant HS Heading/ Sub Division.
CESS Levy – Securities & Exchange Commission of Sri Lanka Act, No.19 of 2021	
01.08.2025	Gazette Notification No. 2443/49 dated 02.07.2025 - To impose CESS levy of 0.006% on the value of transaction in Listed High Yield Corporate Debt Securities and to revise CESS levy to 0.01% divided by 3 on the total value of transaction in Corporate Debt Securities.
CESS Levy – Sri Lanka Export Development Act, No. 40 of 1979	
01.04.2026	Gazette Notification No. 2478/04 dated 03.03.2026 - To impose CESS levy on newly created or amended National Subdivisions.
01.04.2026	Gazette Notification No. 2479/38 dated 10.03.2026 - To remove CESS levy on imported fabric as proposed in Budget Speech 2026. - To reduce CESS rate by 50 percent on intermediate inputs in line with the Development Policy Operation (DPO).
Customs Import Duty (CID) – Revenue Protection Act, No. 19 of 1962	
28.01.2025	Revenue Protection Order No. 01/2025 (Gazette Notification No. 2421/05 dated 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 dated 28.04.2025) - To create new National Sub Divisions (NSDs) 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.
10.10.2025	Revenue Protection Order No. 03/2025 (Gazette Notification No. 2457/06 dated 09.10.2025) - To create new National Sub Divisions (NSDs) HS codes in respect of the rice bran oil considering the coconut oil price in the market.
08.11.2025	Revenue Protection Order No. 04/2025 (Gazette Notification No. 2461/40 dated 07.11.2025) - To create new National Sub-Divisions (NSDs) for precious stones and semi-precious stones in order to ensure smooth implementation of applying weight-based value for import of precious /semi-precious stones for Value Added Tax (VAT) purposes.
26.11.2025	Revenue Protection Order No. 05/2025 (Gazette Notification No. 2464/15 dated 25.11.2025) - To Introduce mixed CID rate on importation of Mandarins (Hybrid Variety), considering the bilateral trade commitments under the Sri Lanka-Pakistan Free Trade Agreement.
01.04.2026	Revenue Protection Order No. 01/2026 (Gazette Notification No. 2478/03 dated 03.03.2026) - To introduce a Four Band Customs Import Duty Structure, revising the existing Customs Import Duty Rates of 0 percent, 15 percent, and 20 percent to 0 percent, 10 percent, 20 percent and 30 percent effective from April 01, 2026.

Customs Surcharge- Customs Ordinance (Chapter 235)	
01.02.2025	Gazette Notification No. 2421/43 dated 31.01.2025 - To impose a surcharge on import duties for the importation of Motor Vehicles.
29.04.2025	Gazette Notification No. 2434/03 dated 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.
01.02.2026	Gazette Notification No. 2473/31 dated 31.01.2026 - To continue the imposition of a 50 percent of surcharge on the importation of Motor Vehicles till December 31, 2026.
01.04.2026	Gazette Notification No. 2479/55 dated 12.03.2026 - To remove the 50 percent of surcharge on the importation of Motor Vehicles considering the increase of CID from 20 percent to 30 percent with effect from April 01, 2026.
Special Commodity Levy (SCL) – Special Commodity Levy Act, No. 48 of 2007	
01.01.2025	Gazette Notification No. 2417/20 dated 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 dated 27.01.2025 - To grant Duty waiver of Rs.199/- per kg for the importation of Dates considering the Ramadan Festive season.
26.08.2025	Gazette Notification No. 2451/10 dated 25.08.2025 - To increase the SCL rate on importation of Potatoes from Rs. 60/- per kg to Rs. 80/- per kg and importation of B' Onions from Rs. 10/- per kg to Rs. 50/- per kg considering local harvesting period.
10.10.2025	Gazette Notification No. 2457/05 dated 09.10.2025 - To impose SCL on importation of Rice Bran Oil and Coconut Chips with the recommendation of the Food Policy and Security Committee.
26.11.2025	Gazette Notification No. 2464/14 dated 25.11.2025 - To extend the validity period of prevailing SCL on importation of Potatoes and B' Onions until December 31, 2025. - To remove SCL on importation of Hybrid Mandarins with effect from November 26, 2025.
05.12.2025	Gazette Notification No. 2465/16 dated 04.12.2025 - To waive off the SCL applicable on the importation of essential goods, received as aid or donations for the "Disaster Recovery Project to facilitate persons affected by Cyclone Ditwah".
01.01.2026	Gazette Notification No. 2469/12 dated 31.12.2025 - To extend the validity period of prevailing SCL on importation of 62 commodities till December 31, 2026.
01.04.2026	Gazette Notification No. 2482/09 dated 31.03.2026 - To permit a concessional Special Commodity Levy (SCL) by waiving the balance of the applicable levy on the importation of dehydrated coconut chips for domestic coconut oil production and on salt imported for pharmaceutical manufacturing purposes, subject to specified regulatory approvals, effective from 01 April 2026 to 31 December 2026.
Imports & Exports (Control) Regulations- Imports and Exports (Control) Act, No. 01 of 1969	
28.01.2025	Imports and Exports (Control) Regulations No. 01 of 2025 (Gazette Extraordinary No. 2421/04 dated 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 dated 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 dated 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 dated 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).
05.05.2025	Imports and Exports (Control) Regulations No. 05 of 2025 (Gazette Extraordinary No. 2435/02 dated 05.05.2025) - To Incorporate National Subdivisions of the Harmonized System Codes published for electric motor vehicles by the Extraordinary Gazette No. 2434/02 dated April 28, 2025 in the Imports and Exports (Control) Regulations applicable to the importation of Motor Vehicles.
19.05.2025	Imports and Exports (Control) Regulations No. 06 of 2025 (Gazette Extraordinary No. 2437/04 dated 19.05.2025) - To remove the requirement of Import Control License (ICL) for the importation of raw non-iodized salt and edible iodized salt (powdered and granular salt), classified under the HS Code of 2501.00, until June 10, 2025.
15.08.2025	Imports and Exports (Control) Regulations No. 07 of 2025 (Gazette Extraordinary No. 2449/60 dated 15.08.2025) - To extend the validity period of the Imports and Exports (Control) Regulations No. 07 of 2024 (published in the Gazette Extraordinary No. 2384/34 of 17.05.2024) until September 30, 2025.
15.10.2025	Imports and Exports (Control) Regulations No. 08 of 2025 (Gazette Extraordinary No. 2458/43 dated 15.10.2025) - To remove Import Control License (ICL) requirement for the import of GR 11/Ponni Samba rice, which is equivalent to Kiri Samba rice classified under Harmonized System Code 1006.30.29, until October 28, 2025.
24.10.2025	Imports and Exports (Control) Regulations No. 09 of 2025 (Gazette Extraordinary No. 2459/46 dated 24.10.2025) - To allow release of motor vehicles imported non-compliance with Regulation No. 5 of the Imports and Exports (Control) Regulations No. 02 of 2013 published in the Extraordinary Gazette No. 1804/17 dated April 03, 2013, from Sri Lanka Customs, under the negotiation conditions submitted to the Attorney General's Department by the Ministry of Finance, Planning and Economic Development in relation to the court case relating to said motor vehicles.
01.12.2025	Imports and Exports (Control) Regulations No. 10 of 2025 (Gazette Extraordinary No. 2465/07 dated 01.12.2025) - To grant conditional exemptions from the import and export (control) regulations applicable to the customs clearance of goods provided by various foreign donors to those affected by sudden disaster situation caused by Cyclone Ditwah and granting permission to import unregistered (new) ambulances without air bags, received as donations or grants for the direct use of the 1990 Suwaseriya Foundation.

23.03.2026	Imports and Exports (Control) Regulations No. 01 of 2026 (Gazette Extraordinary No. 2481/02 dated 23.03.2026) - To allow Air Carriers of Sri Lanka providing international air services to import retreaded aircraft tyres that confirm to the requirements specified by internationally accredited aviation authorities and are classified under HS Code 4012.13, subject to conditions.
31.03.2026	Imports and Exports (Control) Regulations No. 02 of 2026 (Gazette Extraordinary No. 2482/08 dated 31.03.2026) - To update the Special Import License Regulations No. 01 of 2023, in accordance with the National Sub Divisions of the Harmonized System Codes published by the Revenue Protection Order published in the Gazette Extraordinary No. 2478/03 dated March 03, 2026.
Embarkation Levy - Finance Act, No. 25 of 2003	
31.01.2025	Gazette Notification No. 2421/30 dated 31.01.2025 - 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 whichever comes first. - To extend the concessionary rate of USD 30 on Embarkation Levy for persons leaving Sri Lanka by aircraft from CIAR and JIA.
29.12.2025	Gazette Notification No. 2469/03 dated 29.12.2025 - To extend tax exemption period for persons leaving Sri Lanka by aircraft from Mattala Rajapaksa International Airport (MRIA) for 18 months years from December 29, 2025 to June 26, 2027.
International Telecommunications Operators Levy - Finance Act, No. 11 of 2004	
01.04.2025	Gazette Notification No. 2430/14 dated 01.04.2025 - 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	
01.02.2025	Gazette Notification No. 2421/41 dated 31.01.2025 - To revise Luxury Tax on Motor Vehicles threshold by Rs. 1.5 million for each fuel category except electric.
29.04.2025	Gazette Notification No. 2434/05 dated 28.04.2025 - 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.
Strategic Development Projects- Strategic Development Projects Act, No. 14 of 2008	
17.12.2025	Strategic Development Projects (Amendment) Act, No. 26 of 2025 - The Strategic Development Projects Act, No. 14 of 2008, was amended to give effect to the following key measures: • To Introduce Independent Evaluation Mechanisms • To Strengthen Compliance and Monitoring • To propose Tax incentives to align with Regional Peers • Institutional Realignment • To Estimate and Disclosure of Annual Tax Expenditure
08.02.2026	Gazette Notification No. 2474/66 dated 08.02.2026 - To prescribe eligibility criteria for projects to be identified as a Strategic Development Project and applicable tax exemptions or concessions.
The Colombo Port City Economic Commission Act, No. 11 of 2021	
20.09.2025	The Colombo Port City Regulations No. 01 of 2025 (Gazette Notification No. 2454/62 dated 20.09.2025) - To provide guidelines on the granting of exemptions or incentives to businesses of strategic importance operating within the area of authority of the Colombo Port City.

20.01.2026	Colombo Port City Economic Commission (Amendment) Act, No. 1 of 2026 - The Port City Economic Commission Act, No. 11 of 2021 was amended to give effect to the following key measures: • To remove income tax exemption applicable on employment income of individuals employed within the area of Colombo Port City. • To Strengthen Compliance and Monitoring via Annual Estimation and Disclosure of Tax Expenditure, mandatory filing of Corporate Income Tax Returns and ongoing monitoring of performance targets (jobs, investment realized, time period stipulated) by Colombo Port City Economic Commission. • To provide regulatory measures including the effective banking supervision in line with international standards.

2.4 Challenges and Future Goals

1. The constitution 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 Lanka.

2. Formulating effective fiscal reforms covering tax policy, tax administration and legislation for maintaining sustainable and inclusive economic growth.

3. Achieving a primary surplus of 1.0 percent in 2026 and maintaining the primary surplus of 2.6 percent over the medium term maintain the government debt at a sustainable level.

4. Introduction of institutional reforms including strengthening of tax administration and digitalization of systems and process at the 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 in the period ahead.

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Dr. M K C Senanayake
Director General
Department Of Fiscal Policy

03

Overall Financial Performance for the Year ended 31st December 2025

3 Overall Financial Performance for the Year ended 31st December 2025

3.1 Statement of Finance Position

ACA-P

Statement of Financial Position
As at 31st December 2025

	Note	Actual 2025 Rs	Actual 2024 Rs
Non Financial Assets			
Property, Plant & Equipment	ACA-6	37,184,128	38,663,788
Financial Assets			
Advance Accounts	ACA-5/5(a)	9,719,176	8,205,170
Cash & Cash Equivalents	ACA-3	-	34,844
Total Assets		46,903,304	46,903,802
Net Assets / Equity			
Net Worth to Treasury		9,719,176	8,205,170
Property, Plant & Equipment Reserve		37,184,128	38,663,788
Rent and Work Advance Reserve	ACA-5(b)		
Current Liabilities			
Deposits Accounts	ACA-4	-	-
Unsettled Imprest Balance	ACA-3	-	34,844
Total Liabilities		46,903,304	46,903,802

Detail Accounting Statements in ACA format Nos. 1 to 7 presented in pages from ...6.... to.35. and Annexures to accounts presented in pages from .36.. to ...41.... 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. 02/2025, dated 17.12.2025** 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 as per the Section 38(1) (C) of the National Audit Act No.19 of 2018

Chief Accounting Officer
Name : Dr. Harshana Suriyapperuma
Designation : Secretary
Date : [illegible]/ 2/2026

Accounting Officer
Name : Dr. M.K.C. Senanayake
Designation : Director General
Date : [illegible]/2/2026

Accountant
Name: J.M.E. Lakmini
Assistant Director
Date : [illegible] /2/2026

Dr. [illegible]
[illegible] and Secretary to the Ministry
[illegible] and Economic Development
Ministry of Finance
Colombo 01

Dr. M.K.C. Senanayake
Director General
Department of Fiscal Policy
General Treasury
Colombo 01.

J.M.E. Lakmini Jayasundara
Assistant Director (Finance)
Department of Fiscal Policy
General Treasury
Colombo 01

3.2 Statement of Financial Performance

Revised Budget Allocations 2025 Rs.		Note	Actual 2025 Rs.	Actual 2024 Rs.	
					ACA -F
	Statement of Financial Performance for the period ended 31st December 2025				
-	**Revenue Receipts**		-	-	
-	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)**		-	-	
-	**Non Revenue Receipts**		-	-	
-	Treasury Imprests		97,970,000	85,915,000	ACA-3
-	Deposits		97,438	268,894	ACA-4
-	Advance Accounts		5,012,199	4,039,335	ACA-5
-	Other Main Ledger Receipts		-	-	
-	**Total Non Revenue Receipts (B)**		103,079,637	90,223,229	
	Total Revenue Receipts & Non Revenue Receipts C = (A)+(B)		**103,079,637**	**90,223,229**	
	Remittance to the Treasury (D)		2,942,440	79,298	
-	**Net Revenue Receipts & Non Revenue Receipts E = (C)-(D)**		**100,137,197**	**90,143,931**	
	Less: Expenditure				
-	**Recurrent Expenditure**				
68,200,000	Wages, Salaries & Other Employment Benefits	5	61,136,571	52,509,447	ACA-2(ii)
57,650,000	Other Goods & Services	6	40,286,857	34,063,973	
700,000	Subsidies, Grants and Transfers	7	429,672	396,997	
-	Interest Payments	8	-	-	
-	Other Recurrent Expenditure	9	-	-	
126,550,000	**Total Recurrent Expenditure (F)**		**101,853,100**	86,970,417	
	Capital Expenditure				
2,200,000	Rehabilitation & Improvement of Capital Assets	10	-	-	ACA-2(ii)
2,842,000	Acquisition of Capital Assets	11	2,837,643	2,428,501	
-	Capital Transfers	12	-	-	
-	Acquisition of Financial Assets	13	-	-	
908,000	Capacity Building	14	906,763	541,000	
-	Other Capital Expenditure	15	-	-	
5,950,000	**Total Capital Expenditure (G)**		3,744,406	2,969,501	
	Deposit Payments		97,438	373,296	ACA-4
	Advance Payments		6,526,205	5,215,681	ACA-5
	Other Main Ledger Payments		-	-	
	Total Main Ledger Expenditure (H)		**6,623,643**	**5,588,977**	
	Total Expenditure I = (F+G+H)		112,221,149	95,528,895	
	Balance as at 31st December J = (E-I)		(12,083,952)	(5,384,964)	
	Balance as per the Imprest Adjustment Statement		(12,083,952)	(5,419,807)	ACA-7
	Imprest Balance as at 31st December			-	ACA-3
			-	34,844	

3.3 Statement of Cash Flows

		ACA-C
Statement of Cash Flows for the Period ended 31st December 2025		
	Actual	
	2025 Rs.	**2024 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	3,499,242	2,798,285
Imprest Received	97,970,000	85,915,000
Recoveries from Advance	5,489,876	4,262,593
Deposit Received	97,438	268,894
Total Cash generated from Operations (A)	**107,056,556**	**93,244,772**
<u>Less - Cash disbursed for:</u>		
Personal Emoluments & Operating Payments	93,181,372	83,890,883
Subsidies & Transfer Payments	429,672	396,997
Rehabilitation & Improvement of Capital Assets,Capital Transfers, Capacity Building and Other Capital Expenditure	906,763	541,000
Expenditure incurred on behalf of Other Heads	169,867	284,273
Imprest Settlement to Treasury	2,942,440	79,298
Advance Payments	6,526,205	5,215,681
Deposit Payments	97,438	373,296
Total Cash disbursed for Operations (B)	**104,253,757**	**90,781,428**
NET CASH FLOW FROM OPERATING ACTIVITIES(C)=(A)-(B)	**2,802,799**	**2,463,345**
<u>Cash Flows from Investing Activities</u>		
Interest	-	-
Dividends	-	-
Divestiture Proceeds & Sale of Physical Assets	-	-
Recoveries from On Lending		
Total Cash generated from Investing Activities (D)	**-**	**-**
<u>Less - Cash disbursed for:</u>		
Capital Asset Construction, Purchases and Other Investment Acquisitions	**2,837,643**	**2,428,501**
Total Cash disbursed for Investing Activities (E)	**2,837,643**	**2,428,501**
NET CASH FLOW FROM INVESTING ACTIVITIES(F)=(D)-(E)	**(2,837,643)**	**(2,428,501)**
NET CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES (G)=(C) + (F)	**(34,844)**	**34,844**
<u>Cash Flows from Financing Activities</u>		
Local Borrowings	-	-
Foreign Borrowings	-	-
Grants Received	-	-
Total Cash generated from Financing Activities (H)	**-**	**-**
<u>Less - Cash disbursed for:</u>		
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)**	**34,844**
Opening Cash Balance as at 01st January	**34,844**	**-**
Closing Cash Balance as at 31st December	**-**	**-**

3.4 Notes to the Financial Statements

Basis of Reporting

1) Purpose of Preparation

The Financial Statements have been prepared in accordance with the Government Financial Regulations 150 & 151 and State Accounts Guideline No. 02/2025, dated 17.12.2025.

2) Reporting Period

The reporting period for these Financial Statements is from 01st January to 31st December 2025.

3) 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.

4) Recognition of Revenue

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

5) 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.

6) Property, Plant and Equipment Reserve

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

7) Cash and Cash Equivalents

Cash & cash equivalents include local currency notes and coins in hand as at 31st December 2025.

* 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.

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

3.6 Performance of the Utilization of Allocation

Rs.

Type of Allocation	Allocation		Actual Expenditure	Allocation Utilization as a % of Final Allocation
	Original	Final		
Recurrent	129,000,000	126,550,000	101,853,100	80.48%
Capital	3,500,000	5,950,000	3,744,406	62.93%

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.

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

Rs.

Asset Code	Code Description	Balance as per Board of Survey Report as at 31.12.2025	Balance as per Financial Position Report as at 31.12.2025	Yet to be accounted	Reporting Progress as a %
9151	-	-	-	-	-
9152	Machinery and Equipment	32,784,127.52	32,784,127.52	-	100%
9153	-	-	-	-	-
9154	-	-	-	-	-
9155	-	-	-	-	-
9160	-	-	-	-	-
9180	-	-	-	-	-

3.9 Auditor General's Report

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

මගේ අංකය / எனது இல. / My No. TPD/B/DFP/25/69/FA ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 2026 මැයි 29 දින

17 JUN 2026
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ගණන්දීමේ නිලධාරී
රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුව

AD4/C

ශීර්ෂය 238 - රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුවේ 2025 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 2025 දෙසැම්බර් 31 දිනට මූල්‍ය තත්ත්වය පිළිබඳ ප්‍රකාශය, එදිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය කාර්යසාධන ප්‍රකාශය හා මුදල් ප්‍රවාහ ප්‍රකාශනය සහ ප්‍රමාණාත්මක ගිණුම්කරණ ප්‍රතිපත්තිවලට අදාළ තොරතුරු ද ඇතුළත් මූල්‍ය ප්‍රකාශනවලට අදාළ සටහන් වලින් සමන්විත 2025 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 දැක්වීම හා නිරීක්ෂණයන් මෙම වාර්තාවේ සඳහන් වේ. 2018 අංක 19 දරන ජාතික විගණන පනතේ (සංශෝධිත පරිදි) 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 දෙපාර්තමේන්තුවේ 2025 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 ප්‍රමිතිවලට (ශ්‍රී.ලං.වි.ප්‍ර) අනුකූලව මා විගණනය සිදු කරන ලදී. මෙම විගණන ප්‍රමිති 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 අදාල සටහන් 1 කෙරෙහි අවධානය යොමු කරවමි. මූල්‍ය ප්‍රකාශන, රජයේ මුදල් රෙගුලාසි 150 හා 151 සහ 2025 දෙසැම්බර් 17 දිනැති රාජ්‍ය ගිණුම් මාර්ගෝපදේශ අංක 02/2025 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 විකරණය කරනු නොලැබේ.

1.4 මූල්‍ය ප්‍රකාශන සම්බන්ධයෙන් ප්‍රධාන ගණන්දීමේ නිලධාරීගේ හා ගණන්දීමේ නිලධාරීගේ වගකීම

රජයේ මුදල් රෙගුලාසි 150 හා 151 සහ 2025 දෙසැම්බර් 17 දිනැති රාජ්‍ය ගිණුම් මාර්ගෝපදේශ අංක 02/2025 ට 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 අවශ්‍යවන 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 සඵලදායි අභ්‍යන්තර පාලන පද්ධතියක් සකස් කර පවත්වා ගෙන යනු ලබන බවට ගණන්දීමේ නිලධාරී සහතික විය යුතු අතර එම පද්ධතියේ සඵලදායිත්වය පිළිබඳව කලින් කල සමාලෝචනයක් සිදු කර ඒ අනුව පද්ධතිය ඵලදායි 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 ප්‍රකාශයන්ගෙන් 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 ප්‍රකාශයන් අනාවරණය කර ගන්නා බවට වන තහවුරු කිරීමක් නොවනු ඇත. වංචා සහ වැරදි තනි හෝ සාමූහික ලෙස බලපෑම් නිසා ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශනයන් ඇති විය හැකි අතර, එහි ප්‍රමාණාත්මකභාවය මෙම මූල්‍ය ප්‍රකාශන පදනම් කර ගනිමින් පරිශීලකයන් විසින් ගනු ලබන ආර්ථික තීරණ කෙරෙහි වන බලපෑම් මත රඳා පවතී.

ශ්‍රී ලංකා විගණන ප්‍රමිති ප්‍රකාරව විගණනයේ කොටසක් ලෙස මා විසින් විගණනයේදී වෘත්තීය විනිශ්චය සහ වෘත්තීය සැකමුසුබවින් යුතුව 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 ප්‍රකාශයන් ඇතිවීමේ අවදානම් හඳුනාගැනීම හා තක්සේරු කිරීම සහ ඊට අදාල විගණන සාක්ෂි ලබාගැනීමට අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලැසුම් කර ක්‍රියාත්මක කරන ලදී. වරදවා දැක්වීම් හේතුවෙන් සිදුවන ප්‍රමාණාත්මක සාවද්‍ය ප්‍රකාශයන්ගෙන් සිදුවන බලපෑමට වඩා වංචාවකින් සිදුවන්නා වූ බලපෑම් ප්‍රබල වන්නේ ඒවා දුස්සන්ධානයෙන්, ව්‍යාජ ලේඛන සැකසීමෙන්, චේතනාන්විත මගහැරීමෙන්, වරදවා දැක්වීමෙන් හෝ අභ්‍යන්තර පාලනයන් මග හැරීමෙන් වැනි හේතු නිසා වන බැවිනි.

- අභ්‍යන්තර පාලනයේ සඵලදායිත්වය පිළිබඳව මතයක් ප්‍රකාශ කිරීමේ අදහසින් නොවුවද, අවස්ථාවෝචිතව උචිත විගණන පරිපාටි සැලසුම් කිරීම පිණිස අභ්‍යන්තර පාලනය පිළිබඳව අවබෝධයක් ලබා ගන්නා ලදී.

- හෙළිදරව් කිරීම ඇතුළත් මූල්‍ය ප්‍රකාශනවල ව්‍යුහය සහ අන්තර්ගතය සඳහා පාදක වූ ගනුදෙනු හා සිද්ධීන් උචිත හා සාධාරණ අයුරින් මූල්‍ය ප්‍රකාශනවල ඇතුළත් බව අගයන ලදී.

- 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 නෛතික අවශ්‍යතා පිළිබඳ වාර්තාව

2018 අංක 19 දරන ජාතික විගණන පනතේ 6(1)(ඇ) වගන්තිය ප්‍රකාරව, පහත සඳහන් කරුණු මා ප්‍රකාශ කරමි.

(අ) මූල්‍ය ප්‍රකාශන ඉකුත් වර්ෂය සමඟ අනුරූප බව

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

3. මූල්‍ය සමාලෝචනය

3.1 ආදායම් කළමනාකරණය

3.1.1. හිඟ ආදායම් කළමනාකරණය

මුදල් රෙගුලාසි 128 (2) ඉ ප්‍රකාරව, රජයට ලැබිය යුතුව තිබෙන හිඟ ආදායම් අප්‍රමාදව එකතු කර ගැනීම සම්බන්ධව රාජ්‍ය ආදායම් පිළිබඳ ගණන්දීමේ නිලධාරියකුගේ වගකීම වුවත්, 2010 වර්ෂයට පෙර සිට පැවත එන හා 2025 දෙසැම්බර් 31 දිනට වූ රු.62,783,502 ක්වූ හිඟ සමාජ වගකීම් බදු මුදලින් සමාලෝචිත වර්ෂය තුළ කිසිදු බදු මුදලක් අයකර ගෙන නොතිබූ අතර ඊට අදාලව සාධනීය ප්‍රතිපත්තිමය පියවරයන් ගැනීමට දෙපාර්තමේන්තුව 2026 මැයි 20 වන විටත් අපොහොසත්වී තිබුණි.

3.2 වියදම් කළමනාකරණය

3.2.1 අවශ්‍යතාවයට වඩා වැඩියෙන් ඇස්තමේන්තු ප්‍රතිපාදන සලසා ගැනීම

(අ) අංක 238-1-1-0-1304 මෘදුකාංග නඩත්තු වැය විෂයය සඳහා ඇස්තමේන්තුගත ප්‍රතිපාදනය වූ රු.10,000,000 න් මු.රෙ. 66 මගින් රු.9,110,000ක් හෙවත් සියයට 91ක්වූ සැලකිය යුතු ප්‍රමාණයකින් ප්‍රතිපාදන වෙනත් වැය විෂයයකට මාරු කර තිබුණි. මාරු කිරීමෙන් පසු ඉතිරි වූ ශුද්ධ ප්‍රතිපාදන වටිනාකම වූ රු.890,000 ක් හෙවත් සියයට 100 ක් ම වියදම් කිරීමෙන් තොරව ඉතිරි වී තිබුණි.

(ආ) අංක 238-1-1-0-1303 ගොඩනැගිලි හා ඉදිකිරීම් නඩත්තු වැය විෂයය සඳහා වෙන් කරන ලද ඇස්තමේන්තුගත ප්‍රතිපාදනය වූ රු.200,000 වියදම් කිරීමෙන් තොරව එනම් සියයට 100 ඉතිරිවී තිබුණි. මෙම වැය විෂයය සඳහා ඉකුත් වර්ෂයේ රු.500,000 ඇස්තමේන්තුවෙන් ප්‍රතිපාදන වෙන්කර ගෙන තිබුණ ද, රු.475,000 ක් ප්‍රතිපාදන මු.රෙ 66 මගින් වෙනත් වැය විෂයයකට මාරු කිරීමෙන් පසු ඉතිරිය වූ රු.25,000 න් රු.775 ක් පමණක් වියදම් කර තිබුණි. මේ අනුව, අවශ්‍යතාවය පිළිබඳ නිසි අධ්‍යයනයකින් තොරව ප්‍රතිපාදන වෙන්කර ගෙන තිබුණු බව නිරීක්ෂණය විය.

(ඇ) වාර්ෂික ඇස්තමේන්තුවෙන් ප්‍රතිපාදන වෙන්කර ගෙන නොතිබූ 238-1-1-0-2001ගොඩනැගිලි සහ ඉදිකිරීම් වැය විෂයය සඳහා මුදල් රෙගුලාසි 66 මගින් රු.2,200,000 ක් ප්‍රතිපාදන මාරුකර ගෙන තිබුණද කිසිදු වියදමක් දැරීමෙන් තොරව මුළු ශුද්ධ ප්‍රතිපාදනයම ඉතිරි වී තිබුණි.

3.3 දෙපාර්තමේන්තුවේ ඒකාබද්ධ ශේෂ පිරික්සුම පිළියෙල කිරීමේ අඩුපාඩු

භාණ්ඩාගාර මුද්‍රිත සටහන් SA-100 (ශේෂ පිරික්සුම) අනුව, අනෙකුත් ශීර්ෂ වෙනුවෙන් වාර්තාකරණ ආයතනය විසින් අත්තිකාරම් "බී" ගිණුම වෙනුවෙන් කරන ලද හර කිරීම්වල ශේෂයක් නොමැති වුවත්, එම ශේෂයන්ගේ එකතුව රු.775,204 ක් වැඩියෙන්ද, දෙපාර්තමේන්තුව වෙත පැමිණි නිලධාරීන්ගේ ණය ශේෂ (238-12) නිරවුල් කිරීම්වල එකතුව රු.2,852,126 ක් වුවත්, එම ශේෂය රු.2,076,922 ක් ලෙස දැක්වීමෙන් එම ශේෂය රු.775,204ක් අඩුවෙන්ද ඒකාබද්ධ ශේෂ පිරික්සුමෙහි දක්වා තිබුණි.

3.4 වත්කම් කළමනාකරණය

2023 අගෝස්තු 24 දිනැති අංක 06/2023 දරන වත්කම් කළමනාකරණ චක්‍රලේඛයේ 03 ඡේදය ප්‍රකාරව, සියළුම රජයේ ආයතනවල පවතින වාහන සඳහා වන මොඩියුලය 2023 සැප්තැම්බර් 01 දින සිට ක්‍රියාත්මක කර තිබුණි. එම චක්‍රලේඛයේ 04 (iv) ඡේදය ප්‍රකාරව, නීත්‍යානුකූල අයිතිය පිළිබඳ සැලකිමකින් තොරව, අදාළ ආයතනයෙහි පවතින සියලුම වාහන පරිශීලක අත්පොතෙහි ලබා දී ඇති උපදෙස් හා මඟපෙන්වීම් අනුව මූල්‍ය නොවන වත්කම් කළමනාකරණ පද්ධතියෙහි (NFAMS) ඇතුළත් කළ යුතු වුවත්, දෙපාර්තමේන්තුවට අයත් වාහන 2 ක් සහ මෙහෙයුම් කල්බදු පදනම යටතේ මිලට ගෙන තිබූ වාහන 2ක් ඇතුළු වාහන 4 කට අදාලව මූලික තොරතුරු සහ එම වාහන 4 හා තවත් වාහන 3 ක් ද ඇතුළුව වාහන 7කට අදාලව අනෙකුත් තොරතුරු (තක්සේරු වටිනාකම, රක්ෂණ අනතුරු, නඩත්තු, ඉන්ධන කාර්යක්ෂමතාව, වාහන ආයතන අතර මාරු කිරීම හා අපහරණ) යනා දී විස්තර 2025 දෙසැම්බර් 31 දින වන විටත් මූල්‍ය නොවන වත්කම් කළමනාකරණ පද්ධතියෙහි (NFAMS) ඇතුළත් කිරීමට කටයුතු කර නොතිබුණි.

3.5 බැරකම් හා බැඳීම්වලට එළඹීම

මේ සම්බන්ධයෙන් පහත සඳහන් නිරීක්ෂණයන් කෙරේ.

(අ) මූල්‍ය ප්‍රකාශන සමඟ ඉදිරිපත් කර තිබූ මු.රෙ.94 (I) බැරකම්වලට එළඹෙන ලද බැඳීම් ප්‍රකාශනයට (ඇමුණුම iii භාණ්ඩාගාර මුද්‍රිත සටහන් SA-92) අනුව, අංක 238-1-0-1-1402 වැය විෂයයට අදාල බැඳීම් හා බැරකම්වල වටිනාකම රු.67,585 ක් බැරකම් ලේඛනයේ ඇතුලත් කර නොතිබුණි.

(ආ) භාණ්ඩාගාර මුද්‍රිත සටහන් SA-92 ට අනුව, අංක 238-1-1-1002 දරන වැය විෂයයේ බැඳීම් හා බැරකම්වල එකතුව රු.185,942 ක් වුවත්, බැරකම් ලේඛනයට අනුව එම ශේෂය රු.165,990 ක් වීමෙන් රු.19,952 ක වෙනසක් නිරීක්ෂණය විය.

4. මෙහෙයුම් සමාලෝචනය

4.1 කාර්ය සාධනය

4.1.1 කාර්යභාරයන් ඉටු කිරීම

පහත සඳහන් නිරීක්ෂණයන් කෙරේ.

(අ) 2025 වර්ෂයේ අයවැයෙහි ඇතුලත් ආදායම් යෝජනා 06 ක් සම්බන්ධයෙන් එම යෝජනා ක්‍රියාත්මක කිරීමේ අරමුණු ඉටුකර ගැනීම් සඳහා පුරෝකථනය කරන ලද මූල්‍ය ප්‍රගතිය (අභිමිවන ආදායම/රැස් කරන ආදායම) පිළිබඳව 2025 දෙසැම්බර් 31 දිනට දෙපාර්තමේන්තුව විසින් අදාල ආයතන වෙතින් ලබා ගෙන නොතිබුණු බැවින් ආදායම් යෝජනා ක්‍රියාත්මක කිරීමේ අරමුණු ඉටුකර ගැනීමේ ප්‍රගතිය තහවුරු කර ගැනීමට නොහැකි විය.

(ආ) 2025 වර්ෂයේ ආදායම් යෝජනාවක්වූ සුනාමි ව්‍යාපෘතිවලට අදාළ කොන්ත්‍රාත්කරුවන්ගෙන් කපා හැරීමට තීරණය කර ඇති ගිහ වැට් බදු වටිනාකම යෝජනාව 2026 මැයි 20 වන විටත් ක්‍රියාත්මක කර නොතිබුණි.

5. අනුමත කාර්ය මණ්ඩලය හා තත්‍ය කාර්ය මණ්ඩලය

2025 දෙසැම්බර් 31 දිනට දෙපාර්තමේන්තුවේ අනුමත කාර්ය මණ්ඩලය, තත්‍ය කාර්ය මණ්ඩලය හා පුරප්පාඩු සංඛ්‍යාව පිළිබඳ විස්තර පහත දැක්වේ.

සේවක වර්ගය	අනුමත කාර්ය මණ්ඩලය	තත්‍ය කාර්ය මණ්ඩලය	පුරප්පාඩු සංඛ්‍යාව
ජ්‍යෙෂ්ඨ මට්ටම	27	20	07
තෘතියික මට්ටම	02	01	01
ද්විතීයික මට්ටම	28	24	04
ප්‍රාථමික මට්ටම	15	11	04
එකතුව	**72**	**56**	**16**

ඉහත පුරප්පාඩු තනතුරුවලින් ජ්‍යෙෂ්ඨ මට්ටමේ තනතුරු 07න් තනතුරු 4 ක් සහ ද්විතියික මට්ටමේ තනතුරු 4 න් තනතුරු 3 ක් 2023 වර්ෂයේ සිට පුරප්පඩුව පැවති අතර ප්‍රාථමික මට්ටමේ තනතුරු 4 ම 2023 වර්ෂයේ සිට පුප්පාඩුව පැවතුණි.

එස්. රත්නවීර
නියෝජ්‍ය විගණකාධිපති
විගණකාධිපති වෙනුවට

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% - 0%
01. Formulation and Implementation of the Fiscal Policy and the Medium-term Fiscal Strategy			
I. Monitor the implementation of policies and performance of revenue and expenditure	√		
II. Review macro fiscal condition of the country	√		
III. Collaborate with the relevant agencies which have an impact on economic policy direction	√		
IV. Preparation of budget outturn monthly, quarterly and yearly and preparation of MTFF	√		
02. Review the Present Fiscal Policy Stance and Propose Appropriate Adjustments			
03. Macro-Fiscal Research			
I. Provide inputs required for policy formulation having engaged in analysis related to key issues of the economy	√		
II. Analysis of revenue, expenditure and financing, revenue forecasting, medium term fiscal framework	√		
III. Set fiscal policy targets and identify fiscal risks	√		
IV. Analysis of variances and provide reasons for deviations, corrective policies, fiscal rules	√		
V. Analyze the economic and social impact of fiscal policies and prepare of macroeconomic framework	√		
VI. Analyze data and write brief/concept papers/analytical papers	√		
VII. Examine the effects of existing and proposed revenue generating policies	√		
VIII. Examine and analyze sectorial budgets, financial structures, expenditure trends and budget estimates and analyze alternative budget allocations	√		
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	√		
X. Prepare Weekly Economic Report & Fiscal Review Report	√		
04. Preparation of Revenue Estimate for 2024 - 2026			
I. Request estimates from each revenue agency	√		
II. Evaluate revenue estimates	√		
III. Finalize the estimates	√		
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	√		
II. Provide required policy inputs to revenue collecting agencies such as IRD, SL Customs and Excise Department	√		
06. Monitor the Revenue Performance of 2025			
I. Monitor performance of revenue estimates of 2025	√		

II.	Monitor progress of policy and administrative changes introduced in the Budget 2025	√		
III.	Revise tax policies as required	√		
IV.	Analyze default taxes and preparation of policy recommendation in order to minimize such defaults	√		
07.	***Preparation of the Budget Speech 2026***			
I.	Mold necessary and requisite policy directions into the budgetary Framework	√		
II.	Request for budget proposals from general public, private sector and government agencies	√		
III.	Summarize budget proposals received by general public, private sector and government agencies	√		
IV.	Monitor the implementation of revenue Proposals in the Budget 2024	√		
V.	Analyze revenue proposals of the budget 2026	√		
VI.	Prepare and publish Gazette Notifications relating to the revenue proposals	√		
08.	***Implementation and monitoring of the Revenue Proposals of the Budget 2024 & Budget 2025***			
I.	Draft related Acts and make amendments to the relevant Acts	√		
II.	Obtain certifications from the legal Draftsman and Attorney General	√		
III.	Obtain Cabinet approvals	√		
IV.	Publish Acts and Bills	√		
V.	Submit relevant Act and Bills to Parliament for approval	√		
09.	***Granting Various Tax Exemptions and Deferments in Terms of the Applicable Laws***			
I.	Make necessary revisions on taxes	√		
II.	Attend the representations made by public, government organizations and international organizations on tax matters.	√		
10.	***Administrative and Financial Matters of the Department***			
I.	Establishment of Tax Policy Analysis Unit	√		
II.	Approval from MSD & Recruitment Cadre	√		
III.	Capacity Building	√		
11.	***Preparation of Reports Under the Public Financial Management Act, No.44 of 2024 and Table the reports in the Parliament***			
I.	Annual report	√		
II.	Mid-year Fiscal Position Report	√		
III.	Budget Economic and Fiscal Position Report	√		
IV.	Pre-election Budgetary Position report*	√		
V.	Fiscal Strategy Statement report	√		
VI.	Records on Right to Information	√		
12.	***Parliamentary/CM Matters***			
I.	Prepare of Cabinet Memoranda and FPD observations and comments	√		
II.	Prepare observations for Parliament Questions	√		
III.	Participate at Parliamentary Committee Meetings	√		

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 31.12.2025		
			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 5.5 percent was recorded in 2024 and 2025, and also growth rate of 5 percent was also reported in the first quarter of 2026. Despite the adverse impact of the war situation in the Middle East on the country's economic growth, growth of GDP in 2026 is projected to be in the range of 3 percent to 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 2025 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.

06

Human Resource Profile

6. Human Resource Profile

6.1 Cadre Management

	Approved Cadre	Existing Cadre	Vacancies/ (Excess)**
Senior	27	20	07
Tertiary	02	01	01
Secondary	28	24	04
Primary	15	11	04
Total	**72**	**56**	**16**

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

16 positions remain vacant from the approved total cadre of this Department. Out of that, Seven (07) 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
In person Training Formulation of Medium Term Debt Management Strategy	02	Day 01 08 hours	-	Local Training	Knowledge on formulating medium-term debt management strategies.
A hands on guide to applied Econometrics using E - Views	04	Day 15 45 hours	Rs. 56,000/- per person (For 04 officers Rs. 224,000/-)	Local Training	Practical knowledge of applied economics using E-Views.
Individual Corporate Income Tax	02	08 hours	Rs. 8,000/- per person (For 02 officers Rs. 16,000)	Local Training	Knowledge on individual income tax assessment
Advanced MS Excel	07	Day 01 16 hours	Rs. 14,000/- per person (For 07 officers Rs. 98,000)	Local Training	Ability to perform data analysis and other official duties efficiently and accurately using MS Excel

Bid Evaluation	01	Day 01 08 hours	Rs.. 14,000	Local Training	Ability to execute the procurement process accurately and efficiently
Preparation of Procurement documents	03	Day 01 08 hours	Rs. 9,500/- per person (For 03 officers Rs. 28,500)	Local Training	Ability to execute the procurement process accurately and efficiently
Salary Conversion	02	Day 01 08 hours	Rs. 8,000/- per person (For 02 officers Rs. 16,000)	Local Training	Knowledge on conducting salary conversions for public service officers
Workshop on Employee Attitudes & Soft Skills	01	Day 01 08 hours	Rs. 7,500.00	Local Training	Improving employee attitudes and soft skills
Annual Stock Verification & Disposal of Unserviceable items	02	Day 01 08 hours	Rs. 14,000/- per person (For 02 officers Rs. 28,000)	Local Training	Accurate knowledge regarding the proper maintenance of warehouse stock and disposal of necessary stock
Diploma in Professional English	02	for a year 240 hours	Rs. 92,000 for (Two Officers Rs. 184,000)	Local Training	Use of accurate English knowledge for drafting letters and daily official duties
Bid Evaluation Workshop	01	Day 01 08 hours	for 02 officers Rs. 9,500.00	Local Training	Executing the procurement process accurately and efficiently
Procurement Documents	01	Day 02 16 hours	Rs. 14,000.00	Local Training	Executing the procurement process accurately and efficiently
Government Payroll System	02	Day 02 16 hours	Rs. 15,000 for one person (Rs.30,000.00 for 02 officers)	Local Training	Accurately processing the preparation of officers' salaries
Scientific, economical and safe driving	01	Day 01 08 hours	Rs. 6,000.00	Local Training	Ensuring the safety of drivers and vehicles through scientific and safe driving
Skills Development of Drivers & Office Assistants towards a Quality Work Environment	03	Day 01 08 hours	Rs. 6,500 for one person Rs. (19,500.00 for 03 officers)	Local Training	Creating a quality work environment through the skill development of drivers and office assistants.
Seminar for safe, Scientific Economic driving	01	Day 01 08 hours	Rs. 6,000.00	Local Training	Ensuring the safety of drivers and vehicles through scientific and safe driving

Maintenance of Government Vehicles	01	Day 01 08 hours	Rs. 6,500.00	Local Training	Protecting state property through proper vehicle maintenance
Practical training in office support services	02	Day 01 08 hours	Rs. 12,000 for one person Rs. (24,000.00 for 02 officers)	Local Training	Practical training relevant to office assistant services
Program to improve professional development and mental fitness for drivers	01	Day 01 08 hours	-	Local Training	Obtaining a more productive and efficient service by enhancing the professional development and mental well-being of drivers
Induction training	05	Day 01 08 hours	-	Local Training	Introducing the public service to new appointees
Bid Evaluation	01	Day 01 08 hours	14,000.00	Local Training	Executing the procurement process accurately and efficiently
Procurement Planning	01	Day 01 16 hours	Rs. 14000.00	Local Training	Executing the procurement process accurately and efficiently

Foreign Training

No	Name	Designation	Programme	Country	Expenditure	Training/ Travel Duration
1	Dr.M.K.C. Senanayake	Director General	Spring Meetings of the International Monetary Fund and the World Bank 2025	USA	Incidental allo: 400 $ Subsistence allowance 3710$ Air Ticket fees RS.616,400.00 Insurance Rs.6,091.45	19.04.2025 - 29.04.2025
			10th Tokyo Fiscal Forum	Tokyo,Japan	Incidental allo: 160 $ Insurance Rs.3,293.64	09.06.2025 - 13.06.2025
			Global Conference on Reimagining Public Finance	Washington DC	Incidental allo: 240 $ Insurance Rs.4,461.72 Warm cloth allo: 75£	27.09.2025 - 03.10.2025
			Annual Meetings of the IMF and World Bank 2026	Washington DC	Incidental allo: 320 $ Subsistence allowance 2968 $ Air Ticket fees RS.382,900.00 Insurance Rs.5,320.73	12.10.2025 - 20.10.2025
			Senior Policy Forum on Sovereign Debt Resolution Framework	Kuwait	Incidental allo: 120 $ Insurance Rs.2,943.25	02.12.2025 - 06.12.2025
2	Ms.S.S.Roshini	Director	IMF SARTTAC Training Course on Fiscal risk Management	India	Incidental Allo:150 $ Insurance fee RS.3,452.03	02.03.2025 - 08.03.2025
			IMF SARTTAC Training Course on Public Investment Management	India	Incidental Allo:150 $ Insurance fee RS.3,557.59	16.11.2025 - 22.11.2025
3	Mr.W.M.D Wijebandara	Director	Fourteenth High-Level Tax Conference for Asian and Pacific Countries in Tokyo	Japan	Incidental Allo:100 $ Insurance fee RS.2958.00	23.09.2025 - 26.09.2025
4	Ms. J.D. Kotinkaduwa	Director	"Second Workshop of the OECD Project on Strengthening and Integrating Green, Gender and SDG Budgeting in Asia"	Bangkok, Thailand	Incidental Allo:150 $ Insurance fee Rs.3,631.50	07.04.2025- 12.04.2025

			"Negotiation on Double Tax avoidance Agreement (DTAA)with Slovak Republic in Bratislava	Bratislava, Slovak Republic	Incidental Allo:150 $ Insurance fee Rs.3,631.50Visa Fee Rs.6100.00 Air Ticket Fee RS.550,000.00 Subsistence Allo: 1680 $ Warm cloth Allo: 75£	26.04.2025 - 02.05.2025
			Seminar on Tax Administration and Digitalization for BRI Partner Countries	China	Incidental Allo:375 $ Insurance fee:Rs.5,638.70	08.09.2025 - 23.09.2025
5	Ms.W.A.J.C Wicramaarachchi	Director	IMF SARTTAC Training Course on Fiscal Risk Management	India	Incidental Allo:150 $ Insurance fee RS.3,452.03	02.03.2025 - 08.03.2025
			Course ST 25.23 Sovereign Risk and Debt Sustainability Framework for Market Access Countries	Singapore	Incidental 175 $ Insurance fee Rs.3515.93	21.09.2025 - 27.09.2025
6	Mrs. W.T.A. Perera	Tax Policy Advisor	Fundamentals of Global Minimum Tax of Pillar Two-ADB,OECD,KTC and NTS	Korea	Incidental Allo: 150$ Visa Fee Rs.12,000.00 Insurance fee Rs.3485.37	20.04.2025 - 26.04.2025
			IMF SARTTAC Training course Climate in Macroeconomic Frameworks	India	Incidental Allo: 150$ Insurance fee Rs.3,499.27	27.04.2025. -03.05.2025
7	Mr.K.M Kumarasiri	Deputy Director	IMF SARTTAC Training course Climate in Macroeconomic Frameworks	India	Incidental Allo: 150$ Insurance fee Rs.3,248.66	27.04.2025. -03.05.2025
			Course ST 25.23 Sovereign Risk and Debt Sustainability Framework for Market Access Countries	Singapore	Incidental Allo: 175$ Insurance fee Rs.3,248.86	21.09.2025 - 27.09.2025
8	Ms.M.L.B Dilhari	Deputy Director	IMF SARTTAC Training Course on Fiscal risk Management	India	Incidental Allo: 150$ Insurance fee Rs.3,248.86	12.10.2025 - 18.10.2025
9	Ms. S.Suganya	Assistant Director	IMF SARTTAC Training Course on Nowcasting	India	Incidental Allo: 325 $ Insurance fee Rs.4,203.37	16.02.2025 - 01.03.2025

			IMF SARTTAC Training Course on Fiscal risk Management	India	Incidental Allo: 150 $ Insurance fee Rs.3,248.86	12.10.2025 - 18.10.2025
10	Mr. T.P. Kodippily	Assistant Director	ITEC: Customized Course on Taxation	India	Incidental Allo: 325$ Insurance fee Rs.4,203.37	12.01.2025- 25.01.2025
			Seminar on "IT Based Taxation Statistics Management For Officials of Developing Countries"	China	Incidental Allo: 375$ Insurance fee Rs.4,680.86	30.06.2025 - 16.07.2025
			IMF SARTTAC Training Course on Macroeconomic Diagnostics	India	Incidental Allo: 325 $ Insurance fee Rs.4,203.37	30.11.2025 - 13.12.2025
11	Ms. P.S. Kumaraguru	Assistant Director	"Construction and Management of Development Zone for Sri Lanka "	China	Incidental Allo: 375 $ Insurance fee Rs.4,680.86 Warm Cloth Allo: 75£	27.04.2025 - 13.05.2025
			IMF SARTTAC Training Course on Macroeconomic Diagnostics	India	Incidental Allo: 325 $ Insurance fee Rs.4,203.37 Visa fee Rs.8,164.79	30.11.2025 - 13.12.2025
12	Mrs. D.M.S. Kumari	Assistant Director	IMF SARTTAC Training Course on Fiscal risk Management	India	Incidental Allo: 150$ Insurance fee Rs.3,248.86	02.03.2025 - 08.03.2025
			IMF SARTTAC Training Course on Macroeconomic Diagnostics	India	Incidental Allo: 325 $ Insurance fee Rs.4,203.37	30.11.2025 - 13.12.2025
			Course ST 25.23 Sovereign Risk and Debt Sustainability Framework for Market Access Countries	Singapore	Incidental Allo: 150$ Insurance fee Rs.3,248.87	21.09.2025 - 27.09.2025
13	Ms.G.I Kuruvitabandara	Assistant Director	IMF SARTTAC Training Course on Macroeconomics of Climate Change	India	Incidental Allo: 325 $ Insurance fee Rs.4,203.37	14.09.2025 - 27.09.2025

14	Ms. J.G.D. Tharaka	Assistant Director	IMF SARTTAC Training Course on Nowcasting	India	Incidental Allo: 325 $ Insurance fee Rs.4,203.37 Visa fee Rs.7,406.00	16.02.2025 - 01.03.2025
			IMF CICCD Training Course on Macro-econometric Forecasting and Analysis(MFA)	China	Incidental Allo: 350$ Insurance fees : Rs.4,680.86 Visa Fee RS.5,850.00	13.09.2025 - 27.09.2025
			IMF SARTTAC Training Course on Maroeconomic Diagnostics	India	Incidental Allo: 325 $ Insurance fee Rs.4,203.37	30.11.2025 - 13.12.2025
15	Ms.T.M.K.W Withanaghe	Assistant Director	Seminar on Public Financial Management for Srilanka	China	Incidental Allo: 375 $ Insurance fee Rs.4,680.86 Warm Cloth Allo: 75£	03.11.2025 - 20.11.2025
16	Mr.E.M.K.G.K.M Ekanayake	Development Officer	IMF SARTTAC Training Course on Maroeconomic Diagnostics	India	Incidental Allo: 325 $ Insurance fee Rs.4,203.37	30.11.2025 - 13.12.2025
17	Ms.M.W.N.I Kularathna	Development Officer	IMF SARTTAC Training course on Climate in Macroeconomic Frameworks	India	Incidental Allo: 150 $ Insurance fee Rs.3,248.86	27.04.2025. - 03.05.2025
			Seminar on Public Financial Management for Srilanka	China	Incidental Allo: 375 $ Warm Cloth Allo: 75£ Insurance fee Rs.4,680.86	03.11.2025 - 20.11.2025
18	G.A.H.B Gamagedara	Development Officer	IMF SARTTAC Training Course on Macroeconomics of Climate Change	India	Incidental Allo: 325 $ Visa fee: Rs.4148.00 Insurance fee Rs.4,885.48	14.09.2025 - 27.09.2025

07

Compliance Report

7. 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**		
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	Compiled		

** It has been informed that it is not necessary to work in accordance with 02/2018 (I) Public administration circular.