

Tax rate for Sri Lankan energy storage power exports





Overview

Addressing Parliament on 18 December, President Anura Kumara Dissanayake stated that the service export tax rate, previously set by the former Government at 30% during the second review with the International Monetary Fund (IMF), has been reduced to 15%. Who is liable for services export tax in Sri Lanka?

Individuals in Sri Lanka, including freelancers who provide services to external parties and bring back foreign exchange will be liable to a 15 percent services export tax, a tax specialist said.

What is import tax in Sri Lanka?

It is a tax on domestic consumption of goods and services. The goods imported into Sri Lanka and goods and services supplied within the territorial limits of Sri Lanka are the subject matter of this tax. It is a multi-stage tax levied on the incremental Value at every stage in the production and distribution chain of Goods and Services.

Are foreign exchange inflows taxed in Sri Lanka?

The amendment on taxing foreign exchange inflows says “gains and profits 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 -15%.

Does Sri Lanka have an income tax exemption?

Under Sri Lanka’s income tax law that has been the case up to now. “In a very brief period between 2018 and 2019, there was the exemption removed, but it was brought back in, because of the foreign currency inflow that it used to bring in,” Afker said.

Why does Sri Lanka go to the IMF?

Sri Lanka has to go to the IMF often because the central bank prints money to



suppress rates triggering forex crises and then ad hoc tax changes are made, critics say. Sri Lanka first started going to the IMF in the 1960s, as money was printed to re-finance rural credit.



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[Uproar over income tax on service exports , Daily FT](#)

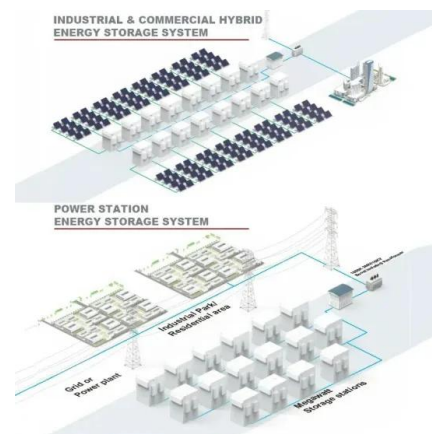
In order to rectify the anomaly, the Government has now brought service exports too under the tax net. The previous administration was hoping to tax service exports at 30%, ...

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[How taxes will affect Service Exporters in Sri Lanka](#)

The new amendments remove previous tax exemptions on foreign-sourced income and service exports, making such income taxable at 15%, provided the earnings are remitted ...

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KPMG Sri Lanka Tax News Flash

The Amendment Act provides for a concessionary rate of tax for gains and profits on the supply of electricity to the national grid generated by using renewable energy resources, with effect from ...

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Ministry of Power and Energy

The Ministry of Power and Energy was established in accordance with Gazette No. 2289/43 dated July 22, 2022, with the main objective of formulating, implementing, monitoring, and evaluating ...



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Taxation

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The International Monetary Fund had proposed a 30 percent tax for service exports, government officials said, which had been negotiated down to 15 percent. Sri Lanka ...

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President Anura Kumara Dissanayake, serving as Minister of Finance, proposed in his Budget speech to Parliament on 17 February 2025, to withdraw the tax exemption ...

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[Trade wars, tariffs, and us in Sri Lanka , Daily FT](#)

A competitive, transparent exchange rate policy will be essential to keeping Sri Lankan exports attractive, particularly amid global tariff volatility. At the same time, the country ...

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Recently, the United States government increased tax rates on imports from several countries, including Sri Lanka. This move is particularly significant given that the US is ...

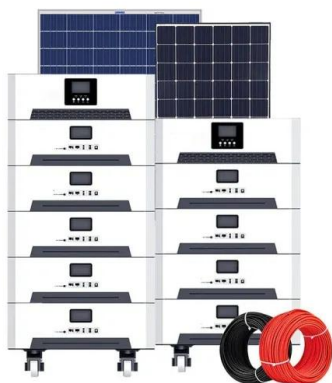
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Tax net cast on Sri Lankan professionals, freelancers earning ...

A common example of such services is back-office support. Software engineers, financial consultants, architects, marketing professionals, logistics analysts, customer service ...

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The new 15% tax on service exports applies to those earning profits by providing services abroad, Deputy Finance Minister Harshana Suriyapperuma said. Addressing ...

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