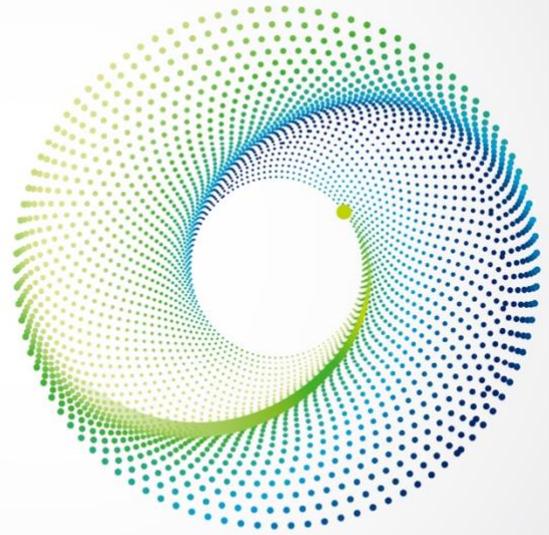


Tax Alert

Social Security Contribution Levy Amendment Bill 2025



04 March 2026

The Social Security Contribution Levy Bill dated 27 February has been issued on 03 March 2026 detailing amendments to the Social Security Contribution Levy Act, No. 25 of 2022 and its subsequent amendments (SSCL Act).

The Bill will become effective only once it is passed by Parliament and certified by the Speaker.

A summary of the amendments is below.

Revision of turnover registration threshold

Existing turnover registration threshold LKR	Proposed turnover registration threshold LKR	Registration timeline	Effective date
15 Mn per quarter or 60 Mn per annum	09 Mn per quarter or 36 Mn per annum	Registration must be obtained within 15 days of exceeding the threshold. In case of an existing business who meets the revised thresholds, an	01 April 2026

Existing turnover registration threshold LKR	Proposed turnover registration threshold LKR	Registration timeline	Effective date
		application for registration must be submitted within 15 days of the Amendment Act coming into effect.	

Revision of threshold for cancellation of SSCL registration

With effect from 01 April 2026, an application for cancellation of SSCL registration can be made at any time after the lapse of twelve months following the date of registration, where the aggregate turnover of such registered does not exceed LKR 36 Mn per annum, in line with the revised turnover thresholds.

Update of Exemption schedule

Presently, SSCL is applicable only on 50 percent of the turnover from wholesale and retail sales, including importation and sale with regard to motor vehicles.

With the amendment to the exemption schedule, motor vehicles will become liable for SSCL on importation.

Schedule	Existing exemption	Revision under the Amendment Bill
<p>Part 1 A Exempted Articles</p> <p>Import of any article/ any article manufactured and sold in Sri Lanka</p>	<p>Any motor vehicle identified under Harmonized Commodity Description and Coding Numbers for Custom purpose and liable to the excise duty under the Excise (Special Provisions) Act, No. 13 of 1989, on the importation</p>	<p>The exemption on import, manufacture and sale of motor vehicles is to be removed with effect from 01 April 2026</p>
<p>PART I B Exempted Articles</p> <p>Wholesale or retail sale including importation and sale of any article in Sri Lanka</p>	<p>Not applicable</p>	<p>New exemption is introduced under wholesale or retail sale of any motor vehicles effective from 01 April 2026</p>

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