

# COLOMBO TEA TRADERS' ASSOCIATION

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## **Abolishing of SVAT and Transition to VAT Regime**

Please note that the SVAT scheme will cease to exist on 30<sup>th</sup> September 2025. A well planned transition strategy is crucial for a smooth shift from the SVAT to VAT.

The transition was discussed in detail at a stakeholder meeting (committee) convened by the CTTA yesterday bringing together all relevant parties. Given the high stakes, it is crucial that registered identified suppliers/ sellers (RIS), Brokers and registered identified purchasers/ buyers (RIP) follow up with the appropriate stakeholders, to avoid potential financial complications.

Accordingly RIS, RIP and brokers are kindly requested to take note of the following for immediate action.

### **1. Clearing of pending registered purchasers/ buyers approvals**

Submission of SVAT related **schedules** to IRD is to be disabled on 31<sup>st</sup> of October 2025. (As per the Website Inland Revenue Department FAQ).

In the circumstance the purchasers/ buyers should approve and issue pending credit vouchers at the earliest. Given the timeline by IRD to complete the process, the six month window which is currently enjoyed will not be available. The IRD release also specifies that unused credit voucher books should be handed over to IRD by 10<sup>th</sup> of November 2025.

Accordingly, a list of pending issues from RIS's [sellers] and RIP's [buyers] should be forwarded in the following formats captured on a monthly basis, to the CTTA [info@ctta.lk](mailto:info@ctta.lk) by 15<sup>th</sup> of August 2025 & with copies to respective brokers, as per SVAT form 4. (which is uploaded by the supplier and approved by the purchaser/ buyer).

### To be completed by the RIS's [Producers]

- Please refer to the excel file attached styled "To be completed by the Producer"

Exporter/Buyer	VAT No	SVAT No	auction/pvt sale	Sale No.	Invoice Date	Invoice No.	Total Sale - (Before SVAT)	DEBIT NOTE	Total Net Sale (Before SVAT)	No of Invoices	Broker	Remark
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### To be completed by the RIP's [Buyers]

- Please refer to the excel file attached styled "To be completed by the Buyer"

Supplier/ Producer	VAT No	SVAT No	auction/pvt sale	Sale No.	Invoice Date	Invoice No.	Total Purchases - (Before SVAT)	DEBIT NOTE	Total Purchases - Net Sale (Before SVAT)	No of Invoices	Broker	Remark
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For ease of reference extracts of FAQ page No 04 and 05 are detailed below

#### **I am a Registered Identified Supplier (RIS). What are the final SVAT activities and deadlines that I must take note of?**

All SVAT schedule submissions will be disabled after 31 Oct 2025. For all taxable periods before 1 Oct 2025, you must submit the following by these deadlines:

- **Schedule SVAT 04:** Submit all suspended supplies by 15 Oct 2025.
- **Resubmissions:** If Form SVAT 04 is rejected by the RIP (with reasons), resubmit the revised form by 31 Oct 2025.
- **Schedules SVAT 05, 05a, 05b, and 07:** Upload by 31 Oct 2025.

*(Ref-FAQ Document – Page 04)*

#### **I am a Registered Identified Purchaser (RIP). What are the final SVAT activities and deadlines that I must take note of?**

For all taxable periods before 1 Oct 2025, you must submit the following by these deadlines:

- **SVAT credit vouchers:** Can be issued for purchases up to 30 Sep 2025.
- **Form SVAT 04:** Must be approved by 20 Oct 2025.
- **Schedule SVAT 06:** Submit by 31 Oct 2025.
- **Unused SVAT credit voucher books:** Handover by 10 Nov 2025 to the Medium Corporate Default Tax Collection Unit, 9<sup>th</sup> Floor, Inland Revenue Building.

*(Ref-FAQ Document – Page 05)*

## **2. VAT regime**

Views were expressed on the financial flow regards the payment of VAT effective 1<sup>st</sup> October 2025, which is to be discussed at the CTTA August committee meeting.

In the light of the tight deadline the committee towards assisting the stakeholders shall track progress and address any concerns as deemed necessary.

This Circular override previous communication on the “topic”.

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