



NEW LAWS AND EXECUTIVE DECISIONS UPDATE - APRIL 2026 -

12th May 2026



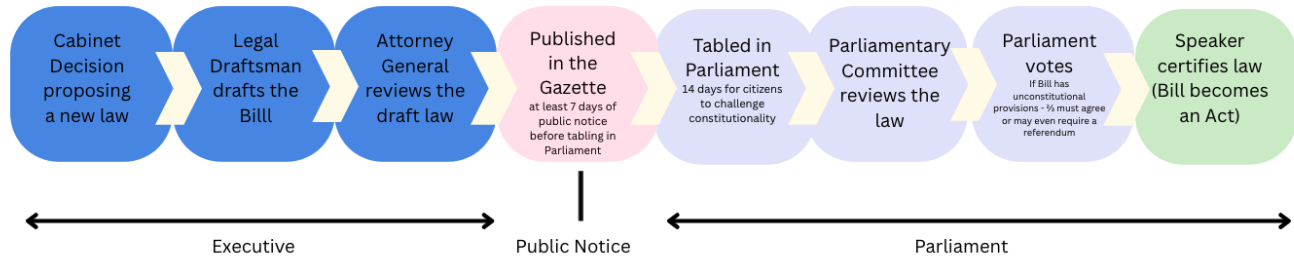
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NEW LAWS AND EXECUTIVE DECISIONS – APRIL 2026

Summary | 12th May 2026

SRI LANKA'S LAW-MAKING PROCESS



UPDATES IN APRIL 2026

I. ACTS CERTIFIED

Social Security Contribution Levy (Amendment) Act, No. 10 of 2026 (certified by the Speaker in Parliament on 9 April 2026) — Amends the SSCL Act No. 25 of 2022. Clarifies registration and de-registration thresholds with effect from 1 July 2026. Motor vehicle imports, previously exempt, are made subject to SSCL with effect from 1 May 2026.

II. BILLS PUBLISHED IN THE GAZETTE

1. **Value Added Tax (Amendment) Bill, No. 31 of 2026** (29 April 2026) - Lowers VAT registration threshold to Rs. 9 million per quarter / Rs. 36 million per year from 1 July 2026. Extends VAT obligations to non-resident digital service providers. Raises VAT on financial services from 18% to 20.5%. Mandates secured point-of-sale machines. Increases penalties for evasion, retrospectively from 1 October 2025.
2. **Finance (Amendment) Bill, No. 27 of 2026** (23 April 2026) - Exempts newly constructed cellular towers commencing commercial operations on or after 1 January 2026 from the cellular tower levy for five years.
3. **Telecommunication Levy (Amendment) Bill, No. 28 of 2026** (23 April 2026) - Extends the levy to all providers (not only licensed operators). Redefines the levy base, introduces bad-debt deductions, and sets out a historical rate schedule (2011 to present).
4. **National Environmental (Amendment) Bill, No. 26 of 2026** (22 April 2026) - Major overhaul of the National Environmental Act. Restructures the Central Environmental Authority, expands its mandate to include Strategic Environmental Assessments, Extended Producer Responsibility, hazardous waste licensing, and chemical management. Introduces wastewater discharge fees. Substantially increases penalties; certain offences made cognizable.

III. BILLS TABLED IN PARLIAMENT

1. **Convention on the Suppression of Terrorist Financing (Amendment) Bill, No. 29 of 2026** (tabled on 9 April 2026). Broadens the definition of terrorist financing. Applies the Act to extraterritorial offences targeting Sri Lanka. Enhances freezing orders and expands police investigative powers.
2. **Financial Transactions Reporting (Amendment) Bill, No. 30 of 2026** (tabled on 9 April 2026). Extends AML/CFT framework to cover weapons of mass destruction proliferation financing. Establishes the FIU as an autonomous body with sanctioning powers up to Rs. 200 million. Increases criminal liability.

IV. SELECTED CABINET DECISIONS

INTERNATIONAL AFFAIRS & BILATERAL COOPERATION

1. MoU with Asian Institute of Technology (AIT), Thailand, to provide scholarships for Sri Lankan scientists in agriculture, energy, climate change, and environmental sustainability (August 2026–2031). (4 April 2026)
2. Six MoUs approved for signing during the Maldives President's State Visit (3–5 May 2026), covering defence training, education, health, tourism, archives, and sports cooperation. (27 April 2026)

EDUCATION, HIGHER EDUCATION & VOCATIONAL EDUCATION

1. Revised cost estimate of Rs. 663 million approved for the multipurpose building at the Bhikkhu University of Sri Lanka (up from Rs. 486 million approved in 2018). (20 April 2026)
2. Establishment of 25 regional activity-based learning centres for commerce education, one per district, at an estimated cost of Rs. 289 million (2026–2028). (20 April 2026)
3. Agreement with the Commonwealth of Learning approved to develop a National Micro-Credentials Policy and Framework for Sri Lanka; workshop to be held in Colombo in May 2026. (27 April 2026)

FINANCE, PLANNING & ECONOMIC DEVELOPMENT

1. VAT (Amendment) Bill and Finance Act (Amendment) Bill (telecommunication tower tax exemption) cleared by Attorney General and approved for gazette publication and Parliamentary submission. (4 April 2026)
2. Additional targeted relief approved for fuel-price-affected groups: special Aswesuma allowances (Rs. 2,500–7,500 per family); electricity cost absorption for consumers below 90 units; increased fertiliser subsidies; fishing fuel subsidies of Rs. 50/litre; and additional allowances for small tea cultivators. (4 April 2026)
3. Import regulations permitting retreaded aircraft tyres (HS Code 4012.13) for Sri Lankan international airline operators approved for Parliamentary concurrence. (20 April 2026)
4. Permanent appointments approved for approximately 9,800 temporary and casual public sector employees across government institutions and statutory boards. (27 April 2026)
5. Central Bank Rules on Statistics Collection (No. 01 of 2026) approved for submission to Parliament; Central Bank's Financial Statements and Operational Report for 2025 tabled for parliamentary submission. (27 April 2026)

TRANSPORT, HIGHWAYS & URBAN DEVELOPMENT

1. Courts at Galle Fort to be relocated to Beligaha; existing buildings transferred to UDA for a tourism Public-Private Partnership under the Greater Galle Development Plan (2021–2030). (4 April 2026)
2. Revised methodology for inter-provincial passenger transport permits, aligned with NTC (Amendment) Act No. 8 of 2025, approved for implementation. (20 April 2026)
3. Investment proposals called for UDA-owned land on Maradana Road, Colombo 10 (1 acre, 1 rood, 12.4 perches) on a 50-year lease for development as an IT-driven innovation hub. (27 April 2026)

HEALTH

1. Dambulla Base Hospital (354 beds, Central Province) to be transferred to the central government for relocation to a new 5-acre site under the Dambulla Development Master Plan; estimated cost Rs. 5 billion. (27 April 2026)
2. Digital unit to be established within the Independent Television Network (ITN) for content management, news distribution, and audience analytics. (27 April 2026)

BUDDHASASANA, RELIGIOUS & CULTURAL AFFAIRS

1. Financial assistance approved for reconstruction of cyclone-affected religious sites: up to Rs. 7.5 million for fully destroyed sites and up to Rs. 5 million for partially damaged sites, covering Buddhist, Hindu, and Christian institutions. (27 April 2026)
2. Three sets of sacred Buddhist relics to be conveyed to the Maha Vipassana Meditation Centre, Texas, USA for public veneration from 2–10 May 2026. (20 April 2026)

DEFENCE

1. Rs. 5 million housing grant approved for estate sector workers whose homes were fully damaged, partially damaged, or at landslide risk due to Cyclone Ditwah, with plantation company to provide a 10-perch plot. (4 April 2026)
2. Committee to be established under the Presidential Secretariat to monitor implementation of Easter Sunday Attack Commission recommendations; no monitoring mechanism had existed since the original 2021 Cabinet approval. (20 April 2026)

3. Interim housing approved for 1,000 Ditwah cyclone-affected families (Kegalle, Kandy, Nuwara Eliya, Badulla) using Sri Lanka Army labour, in addition to the existing Rs. 25,000 monthly rental allowance. (27 April 2026)

HOUSING, CONSTRUCTION & WATER SUPPLY

1. National Housing Policy (last revised 2019) to be updated by an expert committee, aligned with the 'A Comfortable Home – A Healthy Life' framework. (20 April 2026)
2. Expert Committee appointed to review 2,562 stalled NHDA housing projects (2015–2019) covering 64,407 planned units, of which only 10,532 have been completed; estimated additional cost to complete is Rs. 11.26 billion. (20 April 2026)

PUBLIC SECURITY & IMMIGRATION

Six 'underutilised' state buildings to be converted into short-term drug treatment and rehabilitation centres under the 'Ratama Ekata' programme, following increased demand exceeding current residential capacity. (20 April 2026)

INDUSTRIES & ENTREPRENEURSHIP DEVELOPMENT

Legal Draftsman instructed to draft a Bill establishing the Sri Lanka Industrial Transformation and Innovation Authority, consolidating the Industrial Development Board, NEDA, and Small Enterprise Development Division. (20 April 2026)

ENVIRONMENT

Legal Draftsman instructed to draft amendments to the Water Resources Board Act No. 29 of 1964 to regulate illegal and excessive groundwater and surface water extraction at commercial scale. (4 April 2026)

DIGITAL ECONOMY

Cabinet approved a Rs.563 million project to establish Digital Public Infrastructures and a GovTech App/Service Marketplace in three phases (2026–2027) to modernise government digital procurement. (4 April 2026)

SPORTS

Policy framework approved to provide transparent, merit-based public sector employment opportunities for nationally distinguished athletes across government and statutory institutions. (4 April 2026)

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For corrections and clarifications Contact: tegal.lawchambers@gmail.com*