

Date: 14<sup>th</sup> September 2022

**ANNOUNCEMENT**

Dear Sir/Madam,

We would like to inform our valued customers the recent budget proposals for 2022, and the implications that it has on the condominium development industry, the following taxes of Value Added Tax (VAT) of 15% and Social Security Contribution Levy (SSCL) of 2.5% are to be imposed on services related to the business of Real Estate and improvements with effect from 1st October 2022.

Accordingly, we wish to notify you that the Condominium Apartments also will fall under the above category and are liable for both the above mentioned taxes of VAT 15% and SSCL 2.5% respectively.

In view of the above, we strongly recommend that you settle the outstanding balance as much as possible before the implementation of the same in order to reduce the outstanding amount to mitigate the risk of paying any additional taxes on your apartment unit.

Furthermore, we wish to reiterate that we are yet to receive a solid notification and confirmation on the time of supply and liable turnover ( tax base) as of now as discussions are still underway at the committee stage and any amendments will only be effective upon the Bill being signed into law.

Due to this uncertainty we recommend you to mitigate your risk by reducing your purchase consideration as you will be liable for any Tax changes that may be imposed by the government.

Thank You

Yours faithfully  
**GLOBAL LEASING LTD**



Manjula Padmakumara  
Group Finance Manager