

The Value Added Tax Deduction and Collection at Source

Table-01

Mandatory VDS



Sl No.	Service code	Name	VDS RATE		Remarks
			2026	2025	
1	S001.00	Hotel air- conditioned	15%	15%	
	S001.10	Hotel non-air- conditioned	10%	10%	
	S001.20	Restaurant (Restaurants (excluding restaurants located in three-star or higher residential hotels listed by the Ministry of Civil Aviation and Tourism, restaurants located in hotels with a liquor bar, and restaurants with a liquor bar)	5%	5%	Temporary hotels without an enclosure, without an electric fan and with no more than two electric lights are exempt.
2	S002.00	Decorators and caterers	15%	15%	
3	S003.10	Motor garage and workshop	10%	10%	
4	S003.20	Dockyard	15%	15%	
5	S004.00	Construction firm	10%	10%	a)Construction under contracts signed on or before 30 June 1991; b)Tenders invited by 30 June 1991 with contracts signed by 30 June 1993 and; c)For contracts signed before 30 June 2025, VAT above 7.5% is exempt.
6	S007.00	Advertising firm	15%	15%	Charges for publishing death notices in newspapers are exempt.
	S007.20	Online advertisement	5%		
7	S008.10	Printing press	15%	15%	Printing charges for books, periodicals and educational materials for students are exempt.
8	S009.00	Auctioning firm	15%	15%	
9	S010.10	Land development agency	2%	2%	
10	S010.20	Building construction firm			
		a) 1 to 1600 Sq ft.	2%	2%	
		b) Above 1601 Sq ft	4.50%	4.50%	
		c) Any other size for reregistration	2%	2%	
11	S014.00	Indenting organisation	15%	15%	
12	S015.10	Freight forwarder	15%	15%	
13	S017.00	Community centre	15%	15%	
14	S020.00	Survey company	15%	15%	
15	S021.00	Plant & capital machinery rental	15%	15%	
16		a)manufacturers (VAT rate 15% if supplied directly from the manufacturer's factory to the consumer)	7.50%	7.50%	
	S024.00	b) Furniture sales centre (subject to 7.5% VAT payment invoice at the production stage, otherwise VAT rate 15%)	7.50%	7.50%	
17	S028.00	Courier & express mail service	15%	15%	
18	S031.00	Repair & servicing centre	15%	15%	

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19	S032.00	Consultancy & supervisory firm	15%	15%	Personal services rendered by a computer expert are exempt.
20	S033.00	Lessor (Izaradar)	15%	15%	
21	S034.00	Audit & accounting firm	15%	15%	
22	S037.00	Procurement provider	10%	10%	Exempt procurement- provider supplies include a) school tiffin b) NCTB textbooks for primary, secondary and similar level against work orders; c) Cotton; d) Waste and scrap paper; e) glass cullet; f) plastic waste; g) Bones for gelatin capsules; h) Local scrap for steel mills and foundries; i) Jute goods; j) Used batteries; k) Local aluminium scrap to manufacturers; m) Supply of sorted or unsorted garment waste n) Heart ring/stents; and o) Eye intraocular lenses. p) Supply of all kinds of fish
23	S040.00	Security service	15%	15%	
24	S043.00	Television & online broadcasting programme supplier	15%	15%	
25	S045.00	Lawyer / legal consultant	15%	15%	
26	S048.00	Transport contractor- a) petroleum	5%	5%	Transport-contractor service relating only to the carriage of food grains is exempt.
		Transport contractor- b) for others	15%	15%	
27	S049.00	Rent-a-car (Excluding Taxicab)	15%	15%	
28	S050.10	Architect, interior designer / decorator	15%	15%	
29	S050.20	Graphic designer	15%	15%	
30	S051.00	Engineering firm	15%	15%	
31	S052.00	Sound & lighting equipment rental	15%	15%	
32	S053.00	Participant in a company board meeting	15%	15%	
33	S054.00	Advertisement via satellite channel	15%	15%	
34	S058.00	Chartered aircraft / helicopter rental	15%	15%	
35	S060.00	Purchaser of auctioned goods	15%	15%	
36	S065.00	Building / floor / premises cleaning & maintenance	15%	15%	
37	S066.00	Lottery ticket seller	15%	15%	
38	S067.00	Immigration adviser	15%	15%	
39	S071.00	Programme / event organiser	15%	15%	

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			2026	2025	
40	S072.00	Manpower supply or management agency	15%	15%	
41	S083.00	Semiconductor assembly, testing & packaging	15%	15%	
42	S099.10	Information Technology Enabled Services (ITES)	5%	5%	
43	S099.20	Other miscellaneous services	15%	15%	a) Exemptions cover dyeing, printing, finishing and calendaring of grey fabric; b) Lease rent of passenger aircraft; c) Content-creator and freelancer services up to 30 June 2029.
44	S099.30	Sponsorship services	15%	15%	
45	S099.50	Credit rating agency	15%	15%	

VDS not applicable in the following cases:
Utilities Bills payment for fuel oil, gas, WASA water, electricity, telephone or mobile-phone service.
A First Schedule supply or a supply zero-rated under section 21 (Export/Deemed export)
A Trader supplies locally manufactured medicine
A Trader supplies goods through Mushak-6.3 at 15% and provides the prescribed certificate from eVAT system regarding regular-return submission or VAT-honour card; where that cannot reasonably be produced, the divisional officer's certificate must be provided.
A Manufacturer supplies goods through Mushak-6.3 showing 15% VAT, a valid reduced rate or a valid VAT specific amount.
A Contract Manufacturer supplies with a Mushak-6.3 showing 15% VAT.
A Furniture Manufacturer supplies with a Mushak-6.3 certified by the supplier's relevant revenue officer after paying VAT at 15%.
A Device-generated invoice issued through Electric Fiscal Device (EFD), Sales Data Controller (SDC), Public Key Infrastructure (PKI) or Point of Sales (POS) BIN.
An Advertising agency or TV/Online program supplier issues a Mushak-6.3 certified by the supplier's relevant revenue officer.
A Registered start-up enterprise makes any supply
Service out of list mentioned in Table-01 is supplied through a valid Mushak-6.3

Legal Reference
Value Added Tax and Supplementary Duty Act, 2012: sections 15, 20, 21, 26, 46, 49, 85, 127, 127B and 135; First and Third Schedules.
Value Added Tax and Supplementary Duty Rules, 2016; forms Mushak-6.3, Mushak-6.6 and Mushak-9.1.
Finance Act, 2026: amendments affecting the First and Third Schedules.
S.R.O. No. 182-Law/2025/310-VAT dated 27 May 2025.
S.R.O. No. 140-Law/2026/345-VAT dated 7 June 2026.
S.R.O. No. 258-Law/2026/358-VAT dated 30 June 2026.
S.R.O. No. 127-Law/2026/332-VAT dated 7 June 2026.
S.R.O. No. 39-Law/2025/275-VAT dated 22 January 2025.
S.R.O. No. 230-Law/2022/202-VAT dated 28 June 2022.