

TECH DESTINATION SRI LANKA

The Sri Lanka tech team playbook 2026

Salaries, hiring routes, employer of record, company setup, tax and the industry numbers. Everything a founder or CTO needs before building a team in Sri Lanka, with a source for every figure.

Last reviewed October 2026 · techdestinationsrilanka.lk

General information, not legal or tax advice.

Sri Lanka tech salary and cost guide 2026

A software engineer in Colombo earns a median of about LKR 177,000 a month (about USD 535) and a senior software engineer about LKR 260,000 (about USD 785), according to self reported Glassdoor data for 2026. Engineers at export focused and dollar pegged employers earn well above that: community reported medians are LKR 280,000 and LKR 447,000. Employers add 15% in statutory contributions.

Last reviewed 10 October 2026. US dollar figures use LKR 331 per dollar, the market rate on 8 October 2026.

Read this first. There is no free, public employer survey of Sri Lankan tech pay. The one that exists, the [SLASSCOM Compensation and Benefits Report](#) run by Deloitte, is paid. Everything below is self reported by employees, and the sources disagree with each other. Use the figures as ranges, and expect to pay toward the top for strong people.

Monthly pay by role, Colombo

Median total pay and range in thousands of rupees a month. Source: Glassdoor, 2026, self reported. Employer cost adds 15% statutory contributions and converts to dollars a year.

Role	Median LKR a month	Range, LKR thousands	Median USD a month	Employer cost, USD a year
Software engineering				
Associate software engineer	93,000	53 to 175	280	3,900
Software engineer	177,000	118 to 243	535	7,400
Senior software engineer	260,000	188 to 900	785	10,800

Role	Median LKR a month	Range, LKR thousands	Median USD a month	Employer cost, USD a year
Associate technical lead	365,000	274 to 524	1,105	15,200
Software architect	661,000	465 to 988	1,995	27,600
Engineering manager	390,000	185 to 2,400	1,180	16,300
QA, DevOps and security				
QA engineer	101,000	62 to 194	305	4,200
Senior QA engineer	205,000	153 to 300	620	8,500
DevOps engineer	202,000	128 to 456	610	8,400
Senior DevOps engineer	333,000	238 to 550	1,005	13,900
Cyber security engineer	205,000	108 to 1,300	620	8,500
Data and AI				
Data engineer	215,000	140 to 356	650	9,000
Senior data engineer	364,000	241 to 513	1,100	15,200
Data scientist	217,000	142 to 279	655	9,000
Machine learning engineer	233,000	110 to 279	705	9,700
Product, design and ERP				

Role	Median LKR a month	Range, LKR thousands	Median USD a month	Employer cost, USD a year
UX designer	156,000	88 to 229	470	6,500
Senior UX designer	244,000	210 to 376	735	10,200
Business analyst	108,000	74 to 167	325	4,500
Product manager	233,000	145 to 367	705	9,700
Senior product manager	325,000	195 to 575	980	13,500
ERP consultant	169,000	103 to 249	510	7,000
SAP consultant	219,000	133 to 415	660	9,100
Finance				
Assistant accountant	81,000	54 to 125	245	3,400
Financial analyst	79,000	53 to 129	240	3,300
Finance manager	267,000	211 to 433	805	11,100

What engineers at export and dollar pegged employers report

Medians we calculated from 2025 and 2026 records on [TechSalary](#), a community run Sri Lankan salary database. Small samples. Includes salaries pegged to foreign currency, so it skews high.

Role	Median LKR a month	Range, LKR thousands	Median USD a month	Records
Associate software engineer	115,000	50 to 225	345	13
Software engineer	280,000	38 to 1,496	845	19

Role	Median LKR a month	Range, LKR thousands	Median USD a month	Records
Senior software engineer	447,000	120 to 1,978	1,350	13
Associate tech lead	605,000	392 to 900	1,830	11
Tech lead and senior tech lead	774,000	638 to 2,791	2,340	6

The gap between the two tables is the real story. Local median pay and what good export companies pay are different markets. A job board guide from [ITPro.lk](https://www.itpro.lk) puts 2026 software engineering bands at LKR 120,000 to 180,000 for juniors, 180,000 to 320,000 at mid level and 320,000 to 450,000 and above for seniors, which sits between them.

What an employee costs on top of salary

- ▶ Employees' Provident Fund: employer pays 12% of gross earnings, employee pays 8% ([Department of Labour](#)).
- ▶ Employees' Trust Fund: employer pays 3% ([ETF Board](#), rate per [De Saram](#)).
- ▶ Gratuity: half a month's last salary for each completed year, payable when someone with five or more years leaves an employer of 15 or more people ([Payment of Gratuity Act](#)).
- ▶ Leave: 14 days annual leave from the third calendar year and 7 days casual leave, plus public holidays. The 2026 [government calendar](#) lists 26 public holidays, 8 of them mercantile holidays.
- ▶ Hours: a 45 hour week under the Shop and Office Employees Act.

Worked example: a senior software engineer at the Glassdoor median of LKR 260,000 a month costs about LKR 299,000 with EPF and ETF, or roughly USD 10,800 a year. At the community median of LKR 447,000 the same sum is roughly USD 18,600 a year. Benefits such as medical cover, equipment and office space come on top.

Rates through a partner company

If you take a dedicated team from a Sri Lankan company you pay a rate that includes salary, management, space and margin. The [Export Development Board](#) puts developer rates at about USD 25 to 40 an hour and says operations typically cost 40% to 65% less than equivalent headcount in the US or UK. The board promotes exports and cites no study, so treat this as an indication and ask partners for quotes.

Pay rises

The SLASSCOM chairman said in a [2023 interview](#) that normal annual wage growth is about 10% to 15%, and that most tech companies raised pay by 45% to 70% or pegged it to the dollar during the 2022 crisis. SLASSCOM's 2025 report says increment budgets have since stabilised. Budget for double digit annual rises for good engineers.

Our advice

Do not hire at the median. The companies in our stories that keep people for a decade pay on an international benchmark. [Superloop](#) pegs Colombo salaries to the Australian dollar and gives every employee stock. You will still pay far less than at home, and you will get the engineers everyone else is trying to hire.

Common questions

What is the average software engineer salary in Sri Lanka?	+
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What does an employer pay on top of salary in Sri Lanka?	+
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How much cheaper is a Sri Lankan engineering team?	+
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Is there an official salary survey for Sri Lankan tech?	+
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How to hire tech talent in Sri Lanka

There are four ways to hire in Sri Lanka: through an employer of record, as contractors, through a dedicated team run by a Sri Lankan company, or through your own local company. For fewer than ten people, an employer of record or a partner team is fastest and needs no local entity. Past a few dozen people, most companies register their own.

Last reviewed 10 October 2026. This is general information, not legal advice.

The four routes compared

Route	Best for	You need	Trade off
Employer of record	1 to 10 people you manage directly	A contract with a provider. Deel , Remote , G-P and Multiplier list Sri Lanka	A monthly fee per person, and you do your own recruiting
Contractors	Short projects and specialists	A services contract and a way to pay abroad	Less commitment on both sides. Check misclassification risk with an adviser
Dedicated team from a partner	5 to 100 people, fast	A services agreement with a Sri Lankan company such as those in our directory	You pay a margin. The partner handles hiring, HR, space and retention
Your own company	Long term centres of 30 people or more	A registered company, a local secretary, payroll and an office. See the setup guide	Most control and lowest unit cost, most work to start

Steps that work

1

Define the roles

Stack, seniority, hours of overlap you need and the budget range. The [salary guide](#) gives current ranges.

2

Pick the route

Small and direct, or a partner team. Decide before you interview, because it changes who employs the person.

3

Meet people

Ask us for introductions, or talk to two or three partner companies and compare.

Employment basics to know

- ▶ Working time: a 9 hour day including a one hour break, up to 45 hours a week, under the Shop and Office Employees Act ([De Saram employment law guide](#)).
- ▶ Leave: 14 days annual leave from the third calendar year and 7 days casual leave. Maternity leave is 84 paid working days.
- ▶ Probation: up to 180 days, extendable once.
- ▶ Notice: there is no statutory minimum. It is set in the contract.
- ▶ Contributions: employer EPF 12% and ETF 3%. Employee EPF 8%.
- ▶ Termination: for employers with 15 or more staff, non disciplinary termination of someone with over 180 days of service needs written consent or approval from the Commissioner of Labour ([Termination of Employment of Workmen Act](#)). Compensation follows a formula capped at LKR 2.5 million ([De Saram](#)).
- ▶ Income tax: the first LKR 150,000 a month is tax free, then bands from 6% to 36% apply ([Inland Revenue notice, March 2025](#)).

The termination rules are the part foreign employers most often miss. Hire carefully, use the probation period properly, and take local advice before ending a contract.

Common questions

Can I hire in Sri Lanka without setting up a company? +

What are the statutory employer contributions in Sri Lanka? +

How hard is it to terminate an employee in Sri Lanka? +

How long is probation in Sri Lanka? +

Employer of record in Sri Lanka

An employer of record lets you hire people in Sri Lanka without registering a company. The provider employs them locally, runs payroll and pays statutory contributions, and you manage their work. Deel, Remote, G-P and Multiplier all cover Sri Lanka. It is the fastest route for one to ten hires.

Last reviewed 10 October 2026. General information, not legal advice.

Providers that list Sri Lanka

- ▶ [Deel](#)
- ▶ [Remote](#), which states it owns a local entity
- ▶ [G-P](#)
- ▶ [Multiplier](#)

We have no commercial relationship with these providers. Their own country guides disagree with each other on details such as leave and holidays, so check anything important against the [employment rules we have sourced](#).

What you pay

- ▶ Gross salary. See the [salary guide](#) for 2026 ranges by role.
- ▶ Employer provident fund contribution of 12% and trust fund contribution of 3%.
- ▶ The provider's monthly fee per employee.
- ▶ Any benefits you choose to add, such as medical cover.

What an employer of record does not do

It does not find the people. You still need to source, interview and select. That is the part we help with: tell us the roles and we introduce candidates or partner teams, and you can employ them through whichever provider you prefer.

Know the termination rules

Sri Lankan law restricts non disciplinary termination for employers with 15 or more staff once someone has more than 180 days of service. Your provider is the legal employer, so ask how they handle it before you sign.

Common questions

What is an employer of record in Sri Lanka? +

Which employer of record providers cover Sri Lanka? +

How much does an employer of record cost in Sri Lanka? +

When should I move from an employer of record to my own company? +

How to set up a tech company in Sri Lanka

A foreign company can own 100% of a Sri Lankan software company, register it in about two weeks, and repatriate profits. Export service income is taxed at 15%. The main choices are whether to register with the Board of Investment, and whether to locate in Port City Colombo or a regular tech park such as Orion City.

Last reviewed 10 October 2026. Rules changed several times in 2025 and 2026. This is general information, not legal or tax advice. Confirm with the bodies linked below or a local adviser.

Registering the company

- Law: Companies Act No. 7 of 2007. A private company needs at least one director and one shareholder.
- Directors do not have to live in Sri Lanka. A company secretary is required and must be resident ([De Saram](#)).
- Timeline: name reservation on the registrar's online portal takes 3 to 5 working days and the certificate 5 to 12 days ([Chambers Doing Business In 2026](#)).
- Since 30 March 2026 you must file beneficial ownership details before incorporation is complete. From June 2026, new companies must register with Inland Revenue within 30 days.
- A branch office of a foreign company needs a minimum inward remittance of USD 200,000.

Ownership and money

- 100% foreign ownership and 100% repatriation of profits are allowed for IT companies, through an Inward Investment Account ([Board of Investment guide, December 2025](#)).

- Withholding tax on dividends is 15%, subject to tax treaties.

Board of Investment registration

You can run a company without the Board of Investment (BOI). Registering gives you approval as a foreign investor, help with visas and a single point of contact. The BOI's December 2025 guide lists a minimum investment of USD 150,000 for IT and business process companies and USD 250,000 as the general minimum for foreign investment. Ask the BOI which applies to you. Larger projects of USD 3 million and above can negotiate further concessions ([BOI: setting up in Sri Lanka](#)).

Tax

- Corporate income tax: 30% standard rate.
- Exported services: 15%, where the service is used outside Sri Lanka and paid in foreign currency through a bank. This applies from 1 April 2025, when the previous exemption ended ([Inland Revenue notice](#)).
- VAT: 18% standard rate. Exports of services are zero rated ([Inland Revenue Department](#)).
- Payroll: employer EPF 12% and ETF 3%. See the [salary and cost guide](#).

Port City Colombo

Port City is a special economic zone beside Colombo's business district. [IGT1 Lanka](#) was one of the first global IT firms to move in.

- You operate there as an Authorised Person, licensed by the [Colombo Port City Economic Commission](#). The licence runs 12 months and is renewable. Until space is ready you can work from an approved location outside the zone.
- Business is done in foreign currency and must serve overseas clients unless the commission authorises local dealings.

- Tax incentives are not automatic. They apply to companies designated as Businesses of Strategic Importance. Under regulations gazetted in September 2025, secondary businesses with that status pay 7.5% corporate tax for four years, then normal rates ([KPMG](#), [De Saram](#)).
- The income tax exemption for employees was removed in January 2026 for newly registered companies ([KPMG](#)).

Older guides that promise 25 year tax holidays and tax free salaries are out of date.

Where tech companies locate

- [Orion City](#), Colombo 09: a 16 acre IT park that is home to IFS, Virtusa, Synopsys and Michelin teams.
- TRACE Expert City, Colombo 10: a tech campus whose tenants include CodeGen.
- World Trade Center, Colombo 01: twin towers in the business district, home to the BOI and Dijital Team.
- Port City Colombo: the special economic zone described above.

Visas

- Staff of BOI companies get residence visas on the BOI's recommendation, for one year at a time. The BOI offers investors a five year residence visa.
- An investor visa is available for USD 100,000 (5 years) or USD 200,000 (10 years) ([Department of Immigration and Emigration](#)).
- A digital nomad visa is in force for remote workers earning at least USD 2,000 a month from abroad. It does not allow local employment.

Who to contact

- [Board of Investment of Sri Lanka](#): Investor Facilitation Centre, World Trade Center, Colombo 01.
- [Colombo Port City Economic Commission](#)
- [SLASSCOM](#), the IT and business process industry chamber.
- [Export Development Board](#)

Common questions

Can a foreigner own 100% of a software company in Sri Lanka?	+
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What is the corporate tax rate for IT companies in Sri Lanka?	+
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How long does it take to register a company in Sri Lanka?	+
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Does Port City Colombo give a tax holiday to software companies?	+
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Sri Lanka tech industry facts and statistics

Sri Lanka's IT and business process sector exported USD 1.645 billion of services in 2025 and employs roughly 150,000 people. It is home to most of IFS's global R&D, to engineering centres for Sysco, Synopsys and Zebra, and to exits worth up to USD 2 billion. The key numbers are below, each with its source.

Last reviewed 10 October 2026. Where sources disagree we show the range and say who reported what.

How big are Sri Lanka's IT and BPM exports?

USD 1.645 billion in 2025, up 8.8% on the year, according to the Export Development Board. The Central Bank's narrower balance of payments measure records about USD 0.8 billion, and the industry estimates about USD 2 billion, because revenue booked abroad and freelance income are not fully captured.

Sources: [Export Development Board via Daily FT](#), [EconomyNext](#)

How many people work in tech in Sri Lanka?

The Export Development Board cites 146,000 people employed in the sector. Press reports of industry estimates in 2026 put it at about 175,000. The last full official survey counted 124,873 ICT workers in 2018.

Sources: [Export Development Board](#), [National IT and BPM Workforce Survey 2019](#)

How many ICT graduates does Sri Lanka produce each year?

Startup Genome's 2026 report says 12,000+. Industry estimates reported in the press in 2026 say about 17,000 enter the sector each year.

Sources: [Our story on the 2026 report](#)

How does Sri Lanka rank for tech talent?

Third in Asia for affordable tech talent in Startup Genome's Global Startup Ecosystem Report 2026, which also recorded Sri Lanka climbing more than 65 places in its emerging ecosystem rankings, the biggest jump that year.

Sources: [Our story](#)

What are the biggest Sri Lankan tech exits?

Virtusa, cofounded by a Sri Lankan, was acquired for USD 2 billion in 2021. WSO2 was acquired by EQT for USD 600 million in 2024. The London Stock Exchange bought MillenniumIT after choosing its trading platform. JPMorganChase acquired WealthOS in 2026.

Sources: [Virtusa](#), [WSO2](#), [MillenniumIT](#), [WealthOS](#)

Which global companies run R&D in Sri Lanka?

IFS runs 75% of its global R&D from Colombo. Sysco, Synopsys and Zebra Technologies run engineering or R&D centres there. HCLTech, EY, HSBC and WNS run delivery operations.

Sources: [Our roundup](#), [Companies directory](#)

Who are the largest tech employers in Sri Lanka?

Virtusa has 3,000+ engineers in Colombo and IFS has 2,200+ employees there.

Sources: [Virtusa](#), [Our roundup](#)

What time zone is Sri Lanka in?

UTC+5:30 all year, with no daylight saving. That is 1.5 hours ahead of the UAE, 3.5 to 4.5 hours ahead of Central Europe, 4.5 to 5.5 hours ahead of the UK and 9.5 to 10.5 hours ahead of US Eastern time.

Sources: [Guides by country](#)

What does a software engineer earn in Sri Lanka?

A median of about LKR 177,000 a month (about USD 535) according to self reported Glassdoor data for 2026, and about LKR 260,000 for a senior engineer. Export focused employers pay more.

Sources: [Salary and cost guide](#)

What tax do IT exporters pay in Sri Lanka?

15% on income from services exported and paid for in foreign currency, from 1 April 2025. The standard corporate rate is 30%.

Sources: [Setup guide](#)

Can foreigners fully own a tech company in Sri Lanka?

Yes. IT and software companies can be 100% foreign owned and can repatriate profits, according to the Board of Investment.

Sources: [Setup guide](#)

Which universities feed the tech industry?

The University of Moratuwa, a top contributor to Google Summer of Code since 2004, and SLIIT, the largest private tech university with 25,000+ students, are the best known. Peradeniya and Ruhuna teach chip design with a curriculum built with Synopsys.

Sources: [Universities](#), [Synopsys](#)

Where are the main tech parks in Colombo?

Orion City in Colombo 09 houses 85+ technology companies. TRACE Expert City in Colombo 10, the World Trade Center in Colombo 01 and Port City Colombo are the other main hubs.

Sources: [Orion City](#)

Is there an AI industry in Sri Lanka?

Yes. Roar Global runs the country's first AI gateway, Xeynergy builds its own AI products and Rootcode builds AI platforms for the Estonian government.

Sources: [Why Sri Lanka for AI](#)

Ready to build your team?

We introduce Sri Lankan engineers, partner companies and advisers who fit what you are building.

Schedule a call: calendly.com/digisavvyteams/30min

Email: techdestinationsrilanka@gmail.com

Find talent: <https://techdestinationsrilanka.lk/talent/find/>

Estimate a team: <https://techdestinationsrilanka.lk/tools/team-cost-calculator/>