

LIST OF CUSTOMS DUTY CONCESSIONS (IMPORTS)

Item	Description	Rate of Duty
01	Containers for the purpose of packing of gem and jewelry, imported on the recommendation of the Secretary to the Ministry in charge of subject of Industries, subject to the approval of Director General of Customs.	5%
02	Containers and parts thereof for the purpose of packing of Cosmetics, imported on the recommendation of the Secretary to the Ministry in charge of subject of Industries, subject to the approval of Director General of Customs.	5%
03	Enameled copper wire used for automated winding of induction electric motors, imported on the recommendation of the Secretary to the Ministry in charge of subject of Industries, subject to the approval of Director General of Customs.	5%
04	Thermosetting paints for mirror backing to be used for mirror industry, imported on the recommendation of the Secretary to the Ministry in charge of subject of Industries, subject to the approval of the Director General of Customs.	5%

LIST OF EXEMPTIONS

List of Customs Duty Exemptions (Imports)

The following categories of goods are exempted from Customs Import Duty, provided that the Director General of Customs is satisfied that those goods have been imported for the very purpose(s) approved under the respective category and that the approval had been obtained from the Secretary to the Treasury, or from such other authority as delegated by the Secretary to the Treasury:

01	Passengers' baggage as defined by Regulations made by the Minister of Finance under Section 107A of the Customs Ordinance (Chapter 235).
02	Films of educational, scientific or cultural character produced by the United Nations Organization or any of its specialized agencies imported, on the recommendation of the Secretary of the respective line Ministry, subject to approval of the Director General of Customs.
03	Temporary import of professional and scientific equipment and pedagogic material, imported subject to a guarantee prescribed by the Director General of Customs.

04	Articles awarded abroad to any person for distinction in art, literature, science or sport, or for public service or otherwise as a record of meritorious achievement and conduct, imported by or on behalf of that person, on the recommendation of the Secretary to the respective line Ministry, subject to submission of the relevant document to the Director General of Customs.
05	Raw materials and packing materials for the manufacture of pharmaceuticals, imported by the pharmaceutical manufacturers, on the recommendation of the Secretary to the Ministry in charge of Health, subject to approval of the Director General of Customs.
06	Ayurveda, Siddha and Unani, raw and prepared drugs (other than Cosmetics Preparations) and medicinal plants and Ayurveda, Siddha and Unani medicinal raw materials, specified by notification published in the Gazette by the Director General of Customs in consultation with the Secretary to the Ministry in charge of subject of Indigenous Medicines, imported on the recommendation of the Secretary to the Ministry in charge of subject of Indigenous Medicines, subject to approval by Director General of Customs.
07	Packing materials for packing of Ayurveda, Siddha and Unani, raw and prepared drugs and medicinal raw materials other than Ayurveda / Herbal Soap and Ayurveda / Herbal Tooth Paste, imported on the recommendation of the Secretary to the Ministry in charge of subject of Indigenous Medicines, subject to approval of Director General of Customs.
08	Prefabricated poultry houses, plant, machinery and equipment including parts and accessories for poultry industry, imported on the recommendation of the Secretary to the Ministry in charge of subject of Livestock, subject to approval of the Director General of Customs.
09	Machinery including medical, surgical and dental equipment, instruments, apparatus, accessories and parts thereof, ambulances, required for the provision of health services, imported on the recommendation of the Secretary in charge of subject of Ministry of Health, subject to approval of the Director General of Customs.
10	Articles of foreign production upon which import duty had previously been paid, re-imported subject to approval of the Director General of Customs.
11	Goods being gifts from persons or organizations overseas for the relief of distress caused by natural or other disasters, imported on the recommendation of the Secretary to the respective line Ministry, subject to approval of the Director General of Customs.
12	Goods for display or use at exhibitions, fairs, meetings or similar events, imported on the recommendation of Secretary to the respective line Ministry, subject to a guarantee prescribed by the Director General of Customs.
13	Materials and parts for the fabrication of plant, machinery & equipment; capital and intermediate goods, and transport equipment, imported for exclusive use of an industry, which exports and/or supplies to direct exporters, 50% or more of its output, under such terms and conditions approved of the Secretary to the Treasury.
14	Inputs (raw materials, components and parts) imported under inward processing scheme for export, under such terms and conditions approved by the Minister in charge of subject of Finance.
15	Ornamental fish for re-export under such terms and conditions approved by the Director General of Customs.
16	Fish caught by a fishing vessel operating from a Sri Lankan port and which has been duly registered at a Port of Registry in Sri Lanka or issued with a landing permit by

	the Secretary to the Ministry in charge of subject of Fisheries.
17	Equipment and materials for use within the limits of an airport in Sri Lanka and parts and accessories for repair and maintenance of aircrafts in connection with the establishment and maintenance of international air service, imported on the recommendation of the Secretary to the respective line Ministry, subject to approval of the Director General of Customs.
18	Apparatus, drugs and chemicals imported for educational purposes or for research work, imported on the recommendation of the Secretary to the respective line Ministry/authorized officers of respective Universities, subject to approval by the Director General of Customs.
19	Containers and accessories thereof, including container seals used for the safe carriage and security of goods, imported subject to approval of the Director General of Customs.
20	Products and preparations certified by the Ministry of Health as having been registered as drugs under the National Medicines Regulatory Authority Act, No.5 of 2015, imported subject to approval of the Director General of Customs.
21	Import of personal items (including gifts) worth not more than Rs. 20,000/= subject to approval of the Director General of Customs.
22	Import of samples in relations to business worth not more than Rs. 60,000/= subject to such terms and conditions as prescribed by the Director General of Customs.
23	Multi-layered packing materials consisting of laminates of paper, polyethylene film and aluminum foil, or of polyethylene and ethylene vinyl alcohol polymer used for packing of liquid milk, vegetable juices and fruit juices, imported on the recommendation of the Secretary to the Ministry in charge of Industries, subject to approval of the Director General of Customs.
24	Basmati rice and Potato up to the approved limit of Quota under the Pakistan – Sri Lanka Free Trade Agreement, imported on the recommendation of the Director General of Commerce, subject to approval of the Director General of Customs.
25	Any machinery, equipment, accessories and materials excluding items classified under the HS Heading 76.14 and 85.44 and utility vehicles, required for the purpose of providing electricity including distribution of electricity, by the Ceylon Electricity Board and its subsidiary companies, and such goods for the use of any project for generation of power including solar and wind power, under any agreement entered into between the Government of Sri Lanka and its development partners, as recommended by the Secretary to the Ministry in charge of subject of Power, subject to approval of the Director General of Customs.
26	Cinematographic goods and any film, which is produced in Sri Lanka and sent abroad for further processing or printing/copying, on the recommendation of the National Film Corporation, imported subject to approval of the Director General of Customs.
27	Finished leather to be used by leather products manufacturing industry / Semi Processed (Crust) leather to be used by registered tan / leather processing companies for

	the use of leather products manufacturing process, imported on the recommendation of the Secretary to the Ministry in charge of the subject of industries, subject to approval of the Director General of the Customs.
28	Tools, materials and equipment, imported by a manufacturer to manufacture electronic and robotic related products, according to design made in Sri Lanka on the recommendation of a national university, (established under the University Grants commission) through the Secretary to the Ministry in charge of subject of Higher Education / Technical Education, subject to approval of the Director General of Customs.
29	Weapons, armaments, ancillary equipment, ammunition, explosives, communication equipment, military vehicles, air crafts, vessels, equipment and spare parts thereof capable of being used by the armed forces and imported by the Commander of Army/ Navy/ Air Force and the Inspector General of Police for the purpose of national security as recommended by the Secretary to the Ministry in charge of Defense, subject to approval by the Secretary to the Treasury.
30	Raw materials, components, parts and accessories for the manufacturing of fishing boats by registered boat manufacturers, imported on the recommendation of the Secretary to the Ministry in charge of subject of Fisheries, subject to approval of the Director General of Customs.
31	Following equipment, accessories and parts thereof, for the use in agriculture and related activities, imported on the recommendation of the Secretary to the Ministry in charge of the subject of Agriculture, subject to approval of the Director General of Customs; weather stations, greenhouses, poly-tunnels, sprinkler / misting systems, drip irrigation systems, fertigation systems, hydroponic systems, mulch films, pond liner, hydroponic trays, horticulture lamps and shade for netting.
32	Lacquers, coatings and varnishes used exclusively for coating of metal cans and closures which are used for packaging of food, imported on the recommendation of the Secretary to the Ministry in charge of Industries, subject to approval of the Director General of Customs.
33	Import of vehicles, chassis fitted with engines, bodies and cut portions, as defined in chapter 87 where Excise (Special Provisions) duty under the Excise (Special Provisions) Act, No. 13 of 1989, is applicable.
34	Parts and accessories of motor vehicles and locomotives imported by the Sri Lanka Transport Board and Department of Sri Lanka Railway, on the recommendation of the Secretary to the Ministry in charge of subject of Transport, subject to approval of the Director General of Customs.
35	Unbranded new tyre casings without any markings, imported by a branded tyre manufacturer for local value addition process on the recommendation of the Secretary to the Ministry in charge of subject of Industries, subject to the approval of the Director General of Customs.
36	Ingredients other than maize, lentils and rice, for the purpose of manufacturing animal and poultry feed, and linear low density polyethylene, classified under HS Code 3920.10.90, by a Silage Manufacturing entity to supply silage to the local livestock farmers imported on the recommendation of the Secretary to the Ministry in charge of subject of Livestock, subject to approval of the Director General of Customs
37	Any machinery, equipment, accessory and raw materials or intermediate materials, to be used for manufacturing of biodegradable packaging products by manufacturers

	of such products, registered under the Ministry in charge of the subject of Industries, on the recommendation of Secretary to the Ministry in charge of the subject of Environment, subject to approval of Director General of Customs
38	Any machinery and equipment including medical, surgical and dental instruments, apparatus, accessories and parts thereof, hospital/medical furniture and drugs, chemicals and similar items imported by the Ministry in charge of subject of Health directly, or imported and donated to the Ministry in charge of subject of Health or any institution coming under the purview of the said Ministry to facilitate the medical/ health services to manage COVID – 19 pandemic on the recommendation of the Secretary, Ministry in charge of subject of Health, subject to approval of the Director General of Customs.
39	Shrimp brood stock varieties for the purpose of promoting a disease resistant and high yielding shrimp farming, imported on the recommendation of Secretary to the Ministry in charge of subject of Fisheries, subject to approval of Director General of Customs
40	High Density Polyethylene (HDE) sheets of a thickness exceeding 0.5 mm and the width not less than 4.0 mm, in role form, for aquaculture ponds lining; Geo- Membrane and Nano Bubble Aeration System for the purpose of development prawn/shrimp cultivation and Vessel Monitoring System for the purpose of regulating the fishing vessels on the recommendation of the Secretary, Ministry / State Ministry in charge of subject of fisheries subject to the approval of the Director General of Customs.
41	<p>Importation of essential goods, to be received from any foreign states (governments), organizations including business entities, volunteer associations and dwell-wishers by any government entities, government approved entities and entities working on relief activities in direct collaboration with any government entities as aid/donations to provide relief measures or facilitate continuation of essential public services subject to ;</p> <p>(a) Recommendation of the Secretary (chief Accounting Officer), Ministry in Charge of donation recipient government entity or government approved entity or the directly collaborating government entity with the donation and relief measures, where; (i) The Secretary shall provide recommendation for exemption of Customs Import Duty only after his satisfaction on the purpose and target beneficiaries of the donation; and (ii) Such donated goods shall be consigned to the Secretary (Chief Accounting Officer). Who issued the Letter of Recommendation referred above; case by case basis;</p> <p>(b) All donations shall be approved the Director General, Sri Lanka Customs upon receipt of the recommendation referred in (a) above;</p> <p>(c) The Secretary (Chief Accounting Officer) referred in 9a) above is responsible and accountable for goods, received as aid/donation under this procedure until such goods are delivered or distributed for intended purpose(s) and beneficiaries free of charge ; and,</p> <p>(d) Any goods, received as aid/donation under this procedure shall not be sold, transferred or disposed or utilized for purposes other than the purpose stated above without prior approval of the Secretary to the Treasury. In the case of any violation on this procedure, action shall be taken by the Director General, Sri Lanka Customs under the provisions of the Customs Ordinance to recover the applicable taxes.</p>
42	Importation of raw materials or intermediate goods, classified under the HS Codes of 3920.10.20 (Polyethylene Film – Not metalized, of width exceeding 110 mm but not exceeding 230 mm, of a kind used in manufacturing of napkins, sanitary towels), 3920.10.90 – Other (Polyethylene Film (W) and 3926.90.99 – Other (Polypropylene Film) by domestic manufactures of sanitary napkins on recommendation of Secretary, Ministry in charge of subject of Industries and approval of the Director General of Customs

List of Exemptions - Excise (Special Provisions) Duty

Excise (Special Provisions) Duty is imposed in terms of section 3 of the Excise (Special Provisions) Act No. 13 of 1989. Please refer the Imports Tariff Guide for the rates specified.

Under Extraordinary Gazette Notification No.1992/30 dated 10.11.2016, Excise (Special Provisions) Duty is exempted on the following:

1	A Motor Vehicle/Article imported under various agreements and MOU's entered into by the Government of Sri Lanka with overseas organizations and foreign governments.
2	Articles of every description imported or cleared from Customs bond for the official use of the President or the Prime Minister of the Democratic Socialistic Republic of Sri Lanka.
3	Locally assembled/manufactured articles, classified under the H.S. Code 84 and 85, with not less than 30% domestic value addition recommended by the Minister-in-charge of the subject of industries.
4	Every article entitled to duty free clearance under Passenger Baggage (Exemption) Regulations made under Section 107A of the Customs Ordinance (Chapter 235).
5	Every article cleared ex-bond for the use as ship stores or for re-export.
6	Every article manufactured in Sri Lanka and supplied to any exporter in Sri Lanka where sufficient proof is furnished to the satisfaction of the Director General of Excise that such manufactured article was exported.
7	A motor vehicle imported by a Member of Parliament of the 9th Parliament under a permit issued by the Secretary of line Ministry of the subject of Parliament Affairs with Cost, Insurance and Freight (CIF) value of the vehicle not exceeding United States Dollars (USD) 62,500/- or Euro 55,000/- or Japanese Yen 7.0 million.
8	A motor vehicle imported by the Governor of a Provincial Council, who have not imported or purchased a motor vehicle under any concessionary vehicle permit scheme during last five year period, under a permit issued by the Secretary of line Ministry of the subject of Finance with Cost, Insurance and Freight (CIF) value of the vehicle not exceeding United States Dollars (USD) 62,500/- or Euro 55,000/- or Japanese Yen 7.0 million.
9	A three-wheeler imported in respect to the decision on Meeting of Cabinet of Ministers held on March 23,2021 of the Memorandum No. 21/0515/332/005-II/TBR dated March 18,2021 for the purchase of 2,000 three-wheelers to the Sri Lanka Police on the recommendation of the Secretary of the line Ministry in charge of Sri Lanka Police subject to the approval of the Secretary to the Treasury.
10	A water browser classified under HS Code 8704.23.71 or a double cab classified under HS Code 8704.21.91 imported in respect to the decision on the Meeting of Cabinet of Ministers held on June 28, 2021 of the Cabinet Memorandum No.21/1140/304/094 dated June 11, 2021 to import fifty two (52) water bowsers and sixty two (62) double cabs for essential field activities, on the recommendation of the Director General of Department of National Budget subject to the approval of the Secretary to the Treasury.

List of Exemptions- Port and Airport Development Levy (PAL)

Port and Airport Development Levy is imposed in terms of Sub- section 3` of Section (3) of the Ports and Airports Development Levy Act, No. 18 of 2011. With effect from 01.01.2016, PAL is payable on all imported articles, at the rate of 7.5% of CIF value.

Items on which PAL is payable at 2.5%, and items exempted from payment of PAL, (and which can be identified by HS Codes) are specified in the relevant column of the tariff against each HS Code.

Under Extraordinary Gazette Notification No.2152/32 dated 05.12.2019, Instances where PAL is conditionally exempted are listed below:

a.	Import of Plant, machinery or equipment by any enterprise qualified for a tax holiday under section 16D or under Section 17A of the Inland Revenue Act, No. 10 of 2006, for the use by such enterprises for the purposes specified in the agreement entered into with the Board of Investment of Sri Lanka established under the Board of Investment of Sri Lanka Law, No. 4 of 1978, on which tax is deferred during the project implementation period subject to the fulfillment of the conditions specified in the agreement entered into.
b.	Import of project related articles not being plant, machinery or equipment by any enterprise engaged in construction activities qualified for a tax holiday under section 17A of the Inland Revenue Act, No. 10 of 2006, which has entered into an agreement with the Board of Investment of Sri Lanka established under the Board of Investment of Sri Lanka Law, No. 4 of 1978, other than the articles in the negative list published by the Secretary to the Treasury, during the project implementation period for the use by such enterprise for construction proposes, subject to the condition such articles are not obtainable in Sri Lanka and recommended by the Director General of Board of Investment on the request made to in that regard by such enterprise.
c.	Import of project related capital goods during the project implementation period by any export oriented manufacturing company, which has entered into an agreement on or after November 1, 2016, with the Board of Investment of Sri Lanka under section 17 of Board of Investment of Sri Lanka Law, No. 04 of 1978, where the investment made in the fixed assets other than lands by such company is not less than USD 200 million, subject to recommendation by the Director General of Board of Investment on the request made to in that regard by such company.
d.	Import of medical equipment to be donated to a health institution which provides health care services free of charge, as approved by the Minister of Finance with the recommendation of the relevant line Ministry.
e.	Import of Goods (other than motor vehicles and goods for the personal use) required for the purpose of provision of international transportation which are consigned to Sri Lankan Airlines Limited, Mihin Lanka (Pvt) Ltd and Air Lanka Catering Services Ltd.
f.	Import of samples to Sri Lanka in relation to business worth not more than Fifty Thousand Rupees subject to such terms and conditions as prescribed by the Director General of Customs.

g.	Importation of project related capital goods by any enterprise, which has entered into an agreement with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment of Sri Lanka Law, No. 4 of 1978, for the use in any project of such enterprise having a capital investment of not less than US\$50 million in a stage wise during the project implementation or construction period and prior to the commencement of commercial operations except any project approved under the Commercial Hub Regulation and Strategic Development Project Act, No. 14 of 2008.
h.	Importation of project related capital goods by any enterprise which invests on a project to establish climate controlled warehouse facility/ cold chain logistics infrastructure facility, subject to approval of list of goods, as classified under the Harmonized System of Commodity classification (08 digit basis) by the Secretary to the Ministry of Finance on the recommendation of the Secretary in charge of the subject of the Food Commissioner's Department during the project implementation or construction period of the said project but prior to commencement of commercial operations. Provisions of this paragraph shall be valid for 3 years from the date of publication of this order.
i.	Sale of yachts and other vessels for pleasure or sports; rowing boats and canoes: sailboats, with or without auxiliary motor classified under the HS Code of 8903.91.00, by any enterprise, which has entered into an agreement with the Board of Investment of Sri Lanka established under the Board of Investment Sri Lanka Law, No.4 of 1978 and engaged in the manufacturing of boats, to any enterprise which has entered into an agreement with the aforesaid Board of Investment of Sri Lanka and chartering such vessels and yachts for supply of service.
j.	Importation of Health Instruments and Appliances, classified under Harmonized Commodity Description and Coding System Sub Headings of 90.18, 90.19, 90.20 and 90.22 and Hospital Furniture, classified under the Sub Headings of 94.01, 94.02, 94.03 and 94.04, as a donation, consigned to the Secretary, Ministry of Healthcare and Indigenous Medical Services (Consignee) on the recommendation by the Secretary, Ministry of Healthcare and Indigenous Medical Services subject to the approval of the Director General of Customs.
k.	Health protection equipment and similar products supplied or donated by any export- oriented enterprises which have entered into an agreement with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment Law, No. 04 of 1978, to the Ministry of Healthcare and Indigenous Medical Services, Department of Health Services, Sri Lanka Army, Sri Lanka Navy, Sri Lanka Air Force, Sri Lanka Police and COVID Centre (National Operation Centre for Prevention of COVID- 19 Outbreak) on their request.
l.	Machinery and equipment including medical, surgical and dental instruments, apparatus, accessories and parts thereof, hospital/ medical furniture and drugs, chemicals and similar items, required for the provision of health services to address the COVID 19 Pandemic in the country, imported or imported and supplied or imported and donated to the Secretary, Ministry of Healthcare and Indigenous Medical Services, on the recommendation of the Secretary, Ministry of Healthcare and Indigenous Medical Services subject to approval of the Director General of Customs. It shall not be granted for any partial consignment/ cargo of the above and only valid until December 31, 2020.

m.	Raw materials and packing materials imported by the pharmaceutical manufacturers for the manufacture of pharmaceuticals, on the recommendation of the Secretary to the Ministry of Health and Indigenous Medical Services, subject to the approval of the Director General of Customs.
n.	Pharmaceutical machinery and equipment including accessories and spare parts for pharmaceutical machinery and equipment imported by the pharmaceutical manufacturers for the manufacture of pharmaceuticals, on the recommendation of the Secretary to the State Ministry of Production, Supply and Regulation of Pharmaceuticals, subject to the approval of the Director General of Customs.
o.	Medical equipment, machinery, apparatus, accessories and parts thereof, hospital furniture, drugs, or chemicals donated to a government hospital or the Ministry of Health for the provision of health services to address any pandemic or public health emergency, approved by the Minister assigned the subject of Finance, on the recommendation of the Secretary to the Ministry of the Minister assigned the subject of Health.
p.	Non- woven fabrics, ear loops and nose bridges, classified under HS Codes of 5603.91.00, 5607.90.90 and 3916.10.00 used for the manufacture of face masks, imported or imported and supplied by any agency, on the recommendation of the Secretary to the Ministry of Health subject to the approval of the Secretary to the Treasury.
q.	Importation of furnace oil by the Ceylon Petroleum Corporation specifically for the production of bitumen on the recommendation of the Secretary to the Ministry in charge of the subject of Petroleum subject to the approval of the Director General of Customs.
r.	<p>Importation of essential goods, to be received from any foreign states (Governments), organizations including business entities, volunteer associations and well-wishers and to be received by any Government entity, Government approved entity and entities working on relief activities in direct collaboration with any Government entities as aid/donations to provide relief measures or facilitate continuation of essential public services subject to;</p> <ol style="list-style-type: none"> 1) Recommendation of the Secretary (Chief Accounting Officer), Ministry in Charge of donation recipient Government entities or Government approved entity or the directly collaborating Government entity with the donation and relief measures, where; <ol style="list-style-type: none"> i. The Secretary (Chief Accounting Officer) shall provide recommendations for the exemption of Ports and Airports Development Levy only after his satisfaction on the purpose and target beneficiaries of the donation; and ii. Such donated goods shall be consigned to the Secretary (Chief Accounting Officer), who issued the Letter of Recommendation referred above on a case-by-case basis; 2) All donations shall be approved by the Director General of Customs upon the receipt of the recommendation referred to in (r) 1) above; 3) The Secretary (Chief Accounting Officer) referred to in (r) 1) above is responsible and accountable for goods, received as aid/donation under this procedure until such goods are delivered or distributed for the intended purpose(s) and beneficiaries free of charge; and, 4) The essential goods, received as aid/donation under this procedure shall not be sold, transferred or disposed or utilized for purposes other than the purpose stated above without prior approval of the Secretary to the Treasury. In the case of any violation of this procedure, action shall be taken by the

	Director General of Customs under the provisions of the Customs Ordinance (Chapter 235) to recover the applicable taxes.
s.	Importation of raw materials or intermediate goods, classified under the HS Codes of 3920.10.20 (polyethylene Film – Not metalized, of a width exceeding 110 mm but not exceeding 230 mm, of a kind used in manufacturing of napkins, sanitary towels), 3920.10.90 – Other (Polyethylene Film (W)) and 3926.90.99 – Other (Polypropylene Film), 4811.59.10 – Paper, paperboard, cellulose wadding and webs of cellulose fibers, Coated with Silicone and 5603.11.00 – Nonwoven Fabric (weighing not more than 25g/m2) by domestic manufacturers of sanitary napkins on the recommendation of the Secretary to the Ministry of the Minister in charge of the subject of Industries, subject to the approval of the Director General of Customs

List of Exemptions- CESS

CESS was introduced under the Sri Lanka Export Development Act, No.40 of 1979. The rate of CESS payable on the goods is indicated against each HS Code.

Goods exempted from payment of CESS and that could be identified by HS Code are indicated directly in the Guide.

Under Extraordinary Gazette Notification No.2202/6 dated 17.11.2020, exemptions that are subject to conditions are indicated below:

I.	Ayurveda, Siddha and Unani raw and prepared drugs and medicinal plants specified by Notification published in Gazette by the Director General of Customs in consultation with the Secretary to the Ministry which is responsible to the subject of Ayurveda, and Ayurveda, Siddha and Unani preparations (other than cosmetics preparations) imported, subject to the approval of the Secretary to the Treasury.
II.	Any product or preparation registered as drug or device under the National Medicines Regulatory Authority Act, No.5 of 2015.
III.	Raw material, intermediate goods, parts and accessories to be used for the manufacture of fashion jewelry and containers for packing imported on the recommendation of the Secretary to the Ministry in charge of the subject of Industries.
IV.	Goods for any specified project referred to in paragraph f (ii) of PART II of the First Schedule to the Value Added Tax Act, No. 14 of 2002, as identified by the Minister in charge of the subject of Finance, on which taxes are borne by the Government taking into consideration the economic benefit to the country.
V.	Following equipment, accessories and parts thereof, for use in agriculture and related activities, imported on the recommendation of the Secretary to the Ministry in charge of subject of Agriculture, subject to approval by the Director General of Customs: Weather stations, green houses, poly-tunnels, sprinkler/misting systems, drip irrigation systems, fertigation systems, hydroponic systems, mulch films, pond liner, and shade for netting.

VI.	Multi-layered packing material consisting of laminates of papers, polyethylene film and aluminum foil, or of polyethylene and ethylene vinyl alcohol polymer used for packing of liquid milk, vegetable juice and fruit juice, imported on the recommendation of the Secretary of the Ministry in charge of subject of Industries, subject to approval of the Director General of Customs.
VII.	Import of samples in relations to business worth not more than Rs. 60,000/- subject to such terms and conditions as prescribed of the Director General of Customs.
VIII.	Multi-layered sheets of polyethylene and polyvinyl alcohol where polyvinyl alcohol sheet is laminated between two polyethylene sheets, of a thickness exceeding 275 microns, whether or not printed, for the manufacture of tubes for packaging of tooth-pastes, cosmetics etc., imported on the recommendation of the Secretary to the Ministry in charge of subject of Industries, subject to approval of the Director General of Customs.
IX.	High density polyethylene sheets, of a thickness exceeding 0.5 mm and the width not less than 4.0m, in role form, for aquaculture ponds lining, imported on the recommendation of the Secretary to the Ministry in charge of subject of Fisheries, subject to approval of the Director General of Customs.
X.	Unbranded new tyre casings without any markings, imported by a branded tyre manufacturer for local value addition process on the recommendation of the Secretary to the Ministry in charge of subject of Industries and subject to approval of the Director General of Customs.
XI.	Bars and rods, not further worked than hot rolled, hot drawn or extruded, imported on the recommendation of the Secretary to the Ministry in charge of subject of Industries, by a local leaf spring manufacture, subject to approval of the Director General of Customs.
XII.	Linear low density Polyethylene, imported by a Silage Manufacturer to supply silage to the local livestock farmers on the recommendation of Department of Animal Production and Health subject to approval of the Director General of Customs.
XIII.	Any machinery, equipment, accessory and raw materials or intermediate materials, to be used for manufacturing of biodegradable packaging products by manufacturers of such products, registered under the Ministry in charge of the subject of Industries, on the recommendation of Secretary to the Ministry in charge of subject of Environment and subject to approval of Director General of Customs.
XIV.	Raw Materials, components and parts imported by export-oriented enterprises which have entered into an agreement with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment Law, No. 04 of 1978, for the purpose of processing and re-export or to be used for the manufacture of goods for exports.
XV.	Any furniture, classified under the HS Heading 94.03 imported by any tourism enterprise, which has entered into an agreement with the Board of Investment of Sri Lanka established under Board of Investment Law No. 4 of 1978 and registered with the Sri Lanka Tourism Development Authority, established under the Tourism Act, No. 38 of 2005.
XVI.	Any goods imported by any enterprise, which invests US \$ 50 million or above on a project on or after March 6, 2019, during the project implementation or construction period of the said project but prior to commencement of commercial operations

XVII.	Any goods imported by any enterprise, which invests on a project to establish climate controlled ware house facility/ cold chain logistics infrastructure facility, subject to approval of lists of goods, as classified under the Harmonized System of Commodity Classification (08 digit basis) by the Secretary to the Ministry of Finance on the recommendation of the Food Commissioner of the Food Commissioner's Department during the project implementation or construction period of the said project but prior to commencement of commercial operations
XVIII.	Health protection equipment and similar products supplied or donated by any export oriented enterprises, which have entered into an agreement with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment Law, No. 04 of 1978, to the Ministry of Healthcare, Sri Lanka Army, Sri Lanka Navy, Sri Lanka Air Force, Sri Lanka Police and COVID Center (National Operation Center for Prevention of COVID- 19 Outbreak) on their request.
XIX.	Machinery and equipment including medical, surgical, and dental instrument, apparatus, accessories and parts thereof, hospital/ medical furniture and drugs, chemicals and similar items, required for the provision of health services to address the COVID-19 Pandemic in the country, imported or imported and supplied or imported and donated to the Ministry of Health, on the recommendation of the Secretary, Ministry in charge of subject of Health, subject to approval of the Director General of Customs. It shall not be granted for any partial consignment/ cargo of the above.
XX.	<p>Importation of essential goods, to be received from any foreign states (governments), organizations including business entities, volunteer associations and well-wishers by any government entities, government approved entities and entities working on relief activities in direct collaboration with any government entities as aid/donations to provide relief measures or facilitate continuation of essential public services subject to;</p> <p>(a) Recommendation of the Secretary (Chief Accounting Officer), Ministry in Charge of donation recipient government entity or the directly collaborating government entity with the donation and relief measures. Where; (i) The Secretary shall provide recommendation for exemption of CESS only after his satisfaction on the purpose and target beneficiaries of the donation; and (ii) Such donated goods shall be consigned to the Secretary (Chief Accounting Officer) who issued the letter of Recommendation referred above; case by case basis;</p> <p>(b) All donations shall be approved the Director General, Sri Lanka Customs upon receipt of the recommendation referred in (a) above.</p> <p>(c) The Secretary (Chief Accounting Officer), referred in 9a) above is responsible and accountable for goods, received as aid/donation under this procedure until such goods are delivered or distributed for intended purpose(s) and beneficiaries free of charge; and,</p> <p>(d) Any goods, received as aid/donation under this procedure shall not be sold, transferred or disposed or utilized for purposes other than the purpose stated above without prior approval of the Secretary to the Treasury. In the case of any violation on this procedure; action shall be taken by the Director General, Sri Lanka Customs under the provisions of the Customs Ordinance to recover the applicable taxes.</p>
XXI.	Importation of raw materials or intermediate goods, classified under the HS Codes of 3920.10.90 (<i>Other-Polyethylene Film (w)</i>), 3926.90.99 (<i>Other – Polypropylene Film</i>) and 4811.59.10 (<i>Silicone Coated</i>) by domestic manufacturers of sanitary napkins on recommendation of the Secretary, Ministry in charge of subject of Industries and approval of the Director General of Customs

List of Exemptions- Special Commodity Levy (SCL)

1. By the Section 5 of the Special Commodity Levy Act, No. 48 of 2007, The Minister of Finance, Economic Stabilization and National Policies of the Democratic Socialist Republic of Sri Lanka, has ordered to waive-off the applicable Special Commodity Levy on importation of essential goods liable to pay any rate of Special Commodity Levy, to be received from any foreign states (governments), organizations including business entities, volunteer associations and well-wishers by any government entities, government approved entities and entities working on relief activities in direct collaboration with any government entities as aid/donations to provide relief measures or facilitate continuation of essential public services subject to;
 - (a) Recommendation of the Secretary (Chief Accounting Officer), Ministry in Charge of donation recipient government entity or government approved entity or the directly collaborating government entity with the donation and relief measures, where;(i) Secretary shall provide recommendation for exemption of Special Commodity Levy only after his satisfaction on the purpose and target beneficiaries of the donation; and (ii) Such donated goods shall be consigned to the Secretary (Chief Accounting Officer), who issued the letter of Recommendation referred above; case by case basis;
 - (b) All donations shall be approved by the Director General, Sri Lanka Customs upon receipt of the recommendation referred in (a) above;
 - (c) The Secretary (Chief Accounting Officer), referred in (a) above is responsible and accountable for goods, received as aid/donation under this procedure until such goods are delivered or distributed for intended purpose(s) and beneficiaries free of charge; and
 - (d) Any goods, received as aid/donation under this procedure shall not be sold, transferred or disposed or utilized for purposes other than the purpose stated above without prior approval of the Secretary to the Treasury. In the case of any violation on this procedure, action shall be taken by the Director General, Sri Lanka Customs under the provisions of the Customs Ordinance to recover the applicable taxes.
2. This Order shall be valid for a period of one year commencing from August 10, 2022 subject to provisions of Sub Section (3) of Section 2 of the Special Commodity Levy Act, No. 48 of 2007.

List of Exemptions - Value Added Tax (VAT)

The general VAT rates are shown in respective Tariff Lines in the Guide. In addition to that, the following categories of import are exempted from VAT, subject to fulfilling the conditions specified under each category.

The supply or import of –

- (i) Wheat, wheat flour or infant milk powder with effect from November 1, 2016;
- (ii) Pharmaceutical products and drugs (other than cosmetics including such products and drugs certified by National Medicines Regulatory Authority and raw materials for the production or manufacture of such products or drugs);
- (iii) Ayurvedic preparations which belong to the Ayurveda Pharmacopoeia or Ayurveda preparations (other than cosmetic preparations) or unani, siddha or homeopathic preparations (other than cosmetic preparations identified under the Harmonized Commodity Description and Coding System Numbers for Customs purposes) and raw materials for such preparations with the recommendation of the Commissioner of Ayurveda;
- (iv) Aircrafts or helicopters, [prior to the date of commencement 17 August 2018 of Value Added Tax (Amendment) Act, No.25 of 2018, pearls, diamonds, natural or synthetic, precious or semi – precious stones, diamond powder, precious metals, metals clad with precious metals, gold coins;
- (v) Books (other than cheque books, periodicals, magazines, newspapers, diaries, ledger books and exercise books), for any period prior to November 11, 2016;

Books, magazines, journals or periodicals (other than newspapers) for any period on or after November 11, 2016 identified under the Harmonized Commodity Description and Coding System Numbers for Custom purposes; and

unused postage and revenue stamps of the Government of the Democratic Socialist Republic of Sri Lanka or of a Provincial Council;
- (vi) Crude petroleum oil, kerosene, Liquid Petroleum Gas and aviation fuel (effective from 5/8/2005) diesel and aviation fuel (effective from 1/8/2005) oil for ships or fuel oil specified under Harmonized of Commodity Description Number 2710.19.60;
- (vii) Artificial limbs, crutches, wheel chairs, hearing aids, accessories for such aids or appliances which are worn or carried or implanted in the human body to compensate for a defect or disability, white canes for the blind, Braille typewriters and parts, Braille writing papers and Braille writing boards and any other articles which are used by disabled persons which are approved by Minister, taking into consideration the degree of relief requested by such persons, on an application made for that purpose;
- (viii) Agricultural tractors or road tractors for semi-trailers (with effect from the date which the Value Added Tax (Amendment) Act, No. 11 of 2015 comes into operation);

- (ix) Cellular mobile phones;
- (x) Agricultural machinery, mammoties, forks, fertilizer (effective from 01.07.2004), artemia eggs and peat moss classified under the Harmonized Commodity Description and Coding System Numbers for Customs proposes;
- (xi) Agricultural seeds, agricultural plants shrimp feed inclusive of prawn feed and animal feed but excluding poultry feed;
- (xii) Machinery used for construction industry, milk processing machinery, computers including computer accessories, machinery, yarn used for textile industry and dyes used for the handloom industry, as identified under the Harmonized Commodity Description and coding System Numbers for Customs purposes and (effective from 1/1/2008), and machinery used for rice milling industry (effective from 23.12.2005) which are identified by the Commissioner General of Inland Revenue under Harmonized Commodity Description and coding System Numbers for Customs purposes;
- (xiii) Plant and machinery by a company, for the use in a new undertaking by such company in any District other than Colombo and Gampaha as having a capital investment of not less than rupees thirty million and the other criteria specified in Section 20 of the Inland Revenue Act for the purposes of the Tax holiday;
- (xiv) media equipment or motor bicycles recommended by the Secretary to the Ministry of the Ministry in charge of the subject of Media and approved by the Minister, for use by media personnel.
- (xv) prawns;
- (xvi) Solar panel modules, accessories or solar home system for the generation of solar power energy identified under the specified Harmonized Commodity Description Nos for Customs purposes(effective from 1/1/2009) ;
- (xvii) High tech medical equipment or any machinery used for the manufacture of ticket issuing machinery identified under the specified Harmonized Commodity Description Numbers for Customs purposes;
- (xviii) Petrol, Coal (if supplied prior to November 1, 2016) or Bitumen specified under Harmonized Commodity Description and coding System Numbers for Customs purposes with effect from November 26, 2010;
- (xix) (a) machinery and equipment for manufacture of grain mixed bakery products with effect from November 29, 2010;
- (b) machinery and equipment for the use of leather or footwear industry or bags, motor homes, taxi meters, agricultural machinery and parts, electronic equipments or articles use manufacture of fashion jewelry with effect from January 1, 2011;
- (c) light weight electrical and electronic items with effect from June 1, 2010 but prior to November 1, 2016;

(d) fruit seeds with effect from August 16, 2010;

(e) telecommunication equipment with effect from January 1, 2011 but prior to May 2, 2016 and for the period commencing from July 11, 2016 but ending on or before on November 1, 2016;

as specified under Harmonized Commodity Description and Coding System Numbers for Customs purposes;

(xx) any machinery or high-tech equipment for the telecom industry, having identified that such machinery or equipment is imported or purchased exclusively for the use in the telecom industry and imported or purchased by any operator of telecommunication services, with effect from January 1, 2011 but prior to May 2, 2016 and for the period commencing from July 11, 2016 but ending on or before November 1, 2016;

(xxi) spare parts and accessories for exclusive use by Sri Lanka Railways, prior to November 1, 2016;

- (xxii) (i) lorries, trucks, buses, sports equipments, machinery used for the production of rubber or plastic products, sunglasses [prior to the date of commencement of Value Added Tax (Amendment) Act, No.25 of 2018, perfumes (if supplied prior to November 1, 2016), molding (steel, glass, rubber, mineral material or plastic), photo sensitive semi conductor devices;
- (ii) raw materials for the manufacture of spectacles and spectacle frames;
- (iii) items and spares for the poultry industry;
- (iv) wood (sawn) [prior to the date of commencement of the Value Added Tax (Amendment) Act, No.25 of 2018;
- (v) fabric for domestic consumption subject to a cess at a specific rate in lieu of chargeability of any other tax payable on importation at the point of entry into the country, as specified in a Gazette Notification issued under the Sri Lanka export Development Act, No. 40 of 1979 [prior to the date of commencement of the Value Added Tax (Amendment) Act, No.25 of 2018;
- (vi) bowzers, bulldozers, graders, levelers, excavators, firefighting vehicles, gully bowzers, semi-trailers for road tractors, machinery, equipment used for garbage disposal activities or garbage trucks;
- (vii) Energy saving bulbs, for any period with effect from January 1, 2017 and raw material for the manufacture of energy saving bulbs;
- (viii) ties and bows or designer pens;

classified under Harmonized Commodity Description and Coding System Numbers for Customs purposes;

(xxiii) goods for any international event approved by the Minister of Finance taking into consideration the economic benefit to the country, by conducting such event in Sri Lanka;

(xxiv) frozen bait, fish hooks/rods/reels, fishing tackle and marine propulsion engines identified under the Harmonized Commodity Description and Coding System Numbers for Customs purposes;

- (xxv) copper cables for telecom industry,
-imported prior to May 2, 2016 where such copper cables are not available in Sri Lanka; or
-purchased from a local manufacturer prior to May 2, 2016 and for the period commencing from July 11, 2016 but ending on or before November 1, 2016.
- (xxvi) ethyl alcohol imported or manufactured and supply as a by- product which is liable to customs duty and cess on importation or excise duty under the Excise Duty Ordinance on manufacturing of such products.
- (xxvii) plants, machinery or accessories for renewable energy generation identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes with effect from November 11, 2016;
- (xxviii) electrical goods identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes with effect from November 1, 2016;
- (xxix) medical machinery or medical equipment identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes with effect from November 11, 2016;
- (xxx) hot air balloons identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes with effect from January 1, 2017.
- (xxxi) On the import and/or supply of sanitary towels (Pads) and tampons under H.S Code No. 9619.00.10 at the rate of zero percent (0%);

The Import of –

- (i) goods by the mission of any state or any organization to which the provisions of the Diplomatic Privileges Act, No, 9 of 1996 applies, or by any diplomatic personnel of such mission or organization, including the import under a temporary admission carnet for re-export;
- (ii) any article entitles to duty free clearance under the Passenger's Baggage (Exemptions) Regulations made under Section 107 of the Customs Ordinance, or any article cleared duty free on a re-importation certificate as provided for in Schedule A of the Customs Ordinance, or any article cleared ex-bond for use as ship stores;
- (iii) goods by organizations approved by the Minister, where he is satisfied that such goods are gifts from persons or organizations abroad, or are out of funds received from such organizations, for the relief of sudden distress caused by natural or human disasters, or such goods being medical equipment, medical machinery or any ambulance;
- (iv) goods by any person who has entered into an agreement –

- (a) prior to May 16, 1996; or
- (b) prior to April 1, 1998 in respect of a project, the total cost of which is not less than Rs. 500 million, with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment of Sri Lanka Law No. 4 of 1978, which goods are prescribed as a project related article, to be utilized in the project specified in the agreement, during –
 - (i) the project implementation period of such project as specified in such agreement; or
 - (ii) upto the date of completion of such project, which date shall not be later than thirty-six months from the date of the last agreement entered into prior to the 19, November, 2003,

whichever is earlier, other than any article in the negative list published by the Secretary to the Treasury for the purpose of this paragraph.

- (v) goods by any person who has entered into an agreement with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment of Sri Lanka Law No. 4 of 1978, which is prescribed as a project related article, to be utilized in the project specified in the agreement, which project one completed will be solely in the business of making exempt supplies, -

- (a) for a period of two years from August 1, 2002; or
- (b) until the completion of the project as determined by the Board of Investment of Sri Lanka,

whichever is earlier, other than any article in the negative list published by the Secretary to the Treasury for the purpose of this paragraph.

- (vi) personal items and samples in relation to business worth not more ten thousand rupees through parcel post or courier;
- (vii) a motor vehicle by a disabled person specially designed for use by disabled persons approved by the Minister, on his being satisfied that such vehicle is for use specifically by such person;
- (viii) any capital items required for the purposes of providing training by any institution providing vocational training or practical training approved by the Minister in charge of the subject of Tertiary Education and Training in consultation with the Minister where the Government has provided funds or other assistance to such institution and the surplus funds of such institution are re-invested as to the maintenance or improvement of such institution;
- (ix) goods to any project approved by the Commissioner-General, as having a capital investment of not less than rupees one hundred million which are considered as project related capital goods, other than the goods in the negative list published by the Secretary to the Treasury, during the project implementation period which shall not exceed three years from the commencement of the project, provided that such project makes taxable supplies upon the completion of the project (effective from 1.1.2005);
- (x) samples of garments for business purposes by any garment buying office in Sri Lanka registered with the Textile Quota Board established under the Textile Quota Board Act, No. 33 of 1996, so long as such item is not sold;

- (xi) Any ship;
- (xii) Unprocessed timber logs.
- (xiii) any machinery or equipment by the Ceylon Electricity Board or an Institution which has entered into an agreement with the Ceylon Electricity Board to supply electricity required for the purpose of generating electricity identified under specified Harmonized Commodity of Description Numbers for Custom purposes, approved by the Minister;
- (xiv) any film which is produced in Sri Lanka and sent abroad for further processing or printing, with the approval of the Chairman of the National Film Corporation;
- (xv) any bus by the holder of any valid passenger service permit issued by the National Transport Commission or any Provincial Road Passenger Transport Authority for the replacement of a bus which is being used for the transport of passengers and which has been so used for not less than five years at the time of such import;
- (xvi) Machinery prior to January 1, 2014, identified under the specified Harmonized of Commodity Description Numbers for Custom purposes, for modernization of factories by the factory owner with the approval of the Commissioner-General of Inland Revenue;
- (xvii) poultry keeping machinery, poultry incubators and brooders, the import of cattle, buffaloes, poultry, pigs, goats, sheep for breeding purposes and the seimen and embryos of such animals for breeding purposes, under the specified Harmonized of Commodity Description Numbers for the Custom purposes, with the approval of the Commissioner-General of Inland Revenue;
- (xviii) finished leather to be used for the shoe manufacturing industry, on the recommendation of the Secretary to the Ministry of Industrial Development subject to approval by the Minister in charge of the subject of Finance.
- (xix) (a) plant, machinery or equipment of high value to be used for any project; or
(b) goods to be used as exhibition material or as material in any technical demonstration.
and which are re-exported after the completion of such project, exhibition or demonstration, as the case may be and in respect of which tax is differed in terms of paragraph (b) of the second proviso to subsection (3) of section 2 (effective from 17/7/2007);
- (xx) aircraft engines or aircraft spare parts identified under specified Harmonized Commodity Description and Coding System Numbers for Custom purposes [effective from 17/7/2007, but prior to the date of commencement of the Value Added Tax (Amendment) Act, No. 25 of 2018];
- (xxi) rattans under HS Code No. 1401.20 (effective from 1/7/2007)

- (xxii) plant and machinery by an undertaking qualified for a tax holiday under section 24C of the Inland Revenue Act No. 10 of 2006, for use by such undertaking for the purpose of manufacturing or for the provision of services (effective from 1/1/2008);
- (xxiii) goods, for a project identified as a strategic development project under the provisions of the Strategic Development Project Act No. 14 of 2008, during the project implementation period, subject to the conditions specified therein or with the approval of the Minister of Finance any special project referred to in paragraph(f);
- (xxiv) Any bus with the approval of National Transport Commission or any Provincial Road Passenger Transport Authority by the owner of such bus to replace any bus destroyed due to terrorist activities (effective from 9/7/2008)
- (xxv) Brass sheets, brass ingots, thread, dyes paraffin wax or shellac for manufacture of brassware by the National Craft Council with the approval of Minister or Rural Industries and Self Employment Promotion (effective from 1.1.2009)
- (xxvi) Chemical naphtha by the Ceylon Petroleum Corporation to be supplied to Ceylon Electricity Board for the generation of electricity (effective from 1/1/2009);
- (xxvii) packing materials exclusively for the use of packing of pharmaceuticals or Ayurveda medicines manufactured in Sri Lanka and which are imported by the manufacturer of such pharmaceuticals or Ayurveda medicines, so far as such packing materials are not manufactured in Sri Lanka as approved by the Secretary to the Ministry of the Minister to who the subject of Health is assigned or the Commissioner of the Department of Ayurveda, as the case may be, for this purpose.
- (xxviii) Cine films, cinematographic films exposed or developed, magnetic cine sound recorders, cinematographic cameras and projector parts and accessories, prior to the date of commencement of the Value Added Tax (Amendment) Act, No. 25 of 2018, apparatus and equipment for cinematographic laboratories, electric filament or discharge lamps, arc lamp carbon, speakers, amplifiers, digital stereo processors and accessories, cinema media players and digital readers, identified under the Harmonized Commodity Description and Coding System Numbers, for Customs purposes with the approval of the Chairman, National Film Corporation.
- (xxix) aircraft stimulators and parts specified under Harmonized Commodity Description and Coding System Numbers for Custom purposes with effect from January 1, 2011, but prior to the date of commencement of the Value Added Tax (Amendment) Act, No. 25 of 2018;
- (xxx) samples in relation to a business worth not more than rupees (a) twenty-five thousand, on such imports made prior to January 1, 2015; and
(b) fifty thousand on such imports for any period on or after 1, 2015 subject to such terms and conditions as specified by the Director General of Customs;
- (xxxi) pharmaceutical machinery and spare parts for the pharmaceutical machinery which are not manufactured in Sri Lanka, classified under the Harmonized commodity Description and Coding System Numbers for Custom proposes, imported by pharmaceutical manufacturers and recommended by the Secretary to the Ministry of Health, including pharmaceutical machinery or parts imported after June 1, 2011 under the same conditions on which Value Added Tax has been deferred;

- (xxxii) machinery for the manufacture of bio mass briquettes and pallets so far as such machinery is imported by the manufacturer of such products classified under the Harmonized Commodity Description and Coding System Numbers for Custom proposes, including such machinery imported after June 1, 2011 under the same conditions on which Value Added Tax has been deferred;
- (xxxiii) green houses, poly tunnels and materials for the construction of green houses, by any grower of agricultural products or plants of any type, prior to the date of commencement of the Value Added Tax (Amendment) Act, No. 25 of 2018, subject to the condition that such items are not manufactured in Sri Lanka, and approved by the Director-General, Department of Fiscal Policy on the recommendation of the Secretary to the Ministry of Agriculture;
- (xxxiv) plant, machinery or equipment by any enterprise qualified for a tax exemption under section 16D and 17A of the Inland Revenue Act, No. 10 of 2006, for the use by such enterprise for the purposes specified in the agreement entered into with the Board of Investment of Sri Lanka on which tax is deferred during the project implementation period, subject to the fulfillment of the conditions specified in the agreement, during the project implementation period;
- (xxxv) any goods, (other than motor vehicles and goods for personal use) required for the purpose of provision of services being international transportation which is consigned to Sri Lanka Air Lines Limited, Mihin Lanka (Pvt) or Air Lanka Catering Services Ltd;
- (xxxvi) Fabric, specified under the Harmonized Commodity Description and Coding System Numbers for Custom proposes, prior to the date of commencement of the Value Added Tax (Amendment) Act, No. 25 of 2018, for the sale in the domestic market without any value addition, subject to the chargeability of a Cess at a specific rate referred to in sub-item (ii) of item (xxxvii) of paragraph (b) of PART II of the First Schedule.
- (xxxvii) gully browsers, semi-trailers for road tractors, any machinery or equipment used for garbage disposal activities carried out by any local authority, for the purpose of provision of such services to the public, as approved by the Secretary to the relevant Ministry.
- (xxxviii) machinery, equipment or spare parts imported by Sri Lanka Ports Authority to be used exclusively within the ports of the Sri Lanka Ports Authority

**The import and supply of goods at duty free shops for payment in foreign currency.
with effect from October 25, 2014, the import or supply of-**

- (a) (i) any motor vehicle identified under Harmonized Commodity Description and Coding Numbers for custom purposes and liable to the Excise (Special Provisions) Duty under Excise (Special Provisions) Act, No.13 of 1989 on the importation of such vehicle or any motor vehicle liable to the same duty on the manufacture of any such vehicle;
- (ii) any motor vehicle remains unsold as at October 25, 2014, which would otherwise have been liable to the same duty on the importation or manufacture of the same, if imported or manufactured after October 25, 2014,

other than any vehicle supplied under a financial leasing agreement entered into prior to October 25, 2014, which are disposed after the repossession of the same by the lesser on which input tax had been claimed;

(b) cigarettes identified under the Harmonized Commodity description and Coding System Numbers for custom purposes and liable to the Excise (Special Provisions) Duty under Excise (Special Provisions) Act, No.13 of 1989 and cess under Sri Lanka Export Development Act, No.40 of 1979 on the importation or manufacture of the same including cigarettes in the stocks remain unsold as at October 25, 2014 which would have been liable to the same duty on the importation or manufacture the same, if imported or manufactured after October 25, 2014 but prior to November 1, 2016.

(c) liquor, prior to November 1, 2016 identified under the Harmonized Commodity Description and Coding System Numbers for Custom Purposes and subject to the Customs Duty and cess on the importation or Excise Duty on manufacture of the same including liquor imported or manufactured prior to October 25, 2014 remain unsold as at October 25, 2014 which would have been liable to the same duty and cess on the importation or Excise Duty on manufacture the same, if imported or manufactured after October 25, 2014.

VALUE ADDED TAX (VAT) CONSOLIDATED LEVY:

The amount of tax, due on the supply of the following locally made items, permitted by the Board of Investment of Sri Lanka for sale locally (up to 40% of total annual production) by export oriented companies shall be as indicated below. Further no other tax or levy including any duty under Customs Ordinance or Cess under Section 14 (1) of Sri Lanka Export Development Act, No. 40 of 1979 shall be charged or collected on such sale of the items

- | | |
|--|---------------------------|
| • Garments other than panties, socks, briefs and boxer shorts | - Rs. 25 /= per piece |
| • Panties, socks, briefs and boxer shorts | - Rs. 25/= per six pieces |
| • Towels | - Rs. 75 /= per piece |
| • Bags made out of fabric | - Rs. 75/= per piece |
| • Linen and curtains | - Rs. 75/= per kg |
| • Excess fabric as cut pieces not more than two meters in length of each piece | - Rs. 75/= per kilogram |
| • Any other fabric | - Rs. 75/= per kilogram |

List of Exemptions - Social Security Contribution Levy (SSCL)

1. Any article exported by the manufacturer;
2. Any article not being a plant, machinery or fixture imported by any person exclusively for the use in, or for, the manufacture of any article for export ;
3. Any article sold by a taxable person to any exporter, if the Commissioner General is satisfied on the production of any documentary evidence that such article or any other article manufactured, of which such article is a constituent part, has in fact been exported from Sri Lanka by such exporter directly or through a trading house established for export purpose;
4. Any article which is imported, is proved to the satisfaction of the Commissioner General, that such article is imported to Sri Lanka for-
 - (a) the display at an exhibition;
 - (b) the temporary use in Sri Lanka in any project approved by the Minister
 - (c) the purposes of repairs to that article to be carried out in Sri Lanka;
 - (d) any other similar purpose, and is to be re-shipped, within a period of one year from the date of importation of such article to Sri Lanka or within a period of ninety days after the completion of such project; or
 - (e) producing any cinematographic film or Tele-drama in Sri Lanka and taking out of Sri Lanka for further processing or printing with the approval of the National Film Corporation;
5. Any article imported, if proved to the satisfaction of the Director General of Customs that such article was, prior to its importation, taken out of Sri Lanka for repairs;
6. Any spare part imported by any airline or shipping company, if proved to the satisfaction of the Commissioner General, that such spare part is to be used for the maintenance of any aircraft or ship, used in international traffic and owned or chartered by such airline or shipping company;
7. Any article sold, to the United Nations Organization or to any specialized agency of such organization or to the diplomatic mission of any foreign Government or to any member of the diplomatic staff of such mission or to any other person approved by the Minister on the recommendation of the Minister of Foreign Affairs as being of the status of a diplomatic mission;
8. Any article imported if such article is subject to the Special Commodity Levy charged under the Special Commodity Levy Act, No.48 of 2007;
9. Fertilizer;

10. Petroleum and petroleum products other than lubricants classified under Harmonized Commodity Description and Coding Numbers for customs purpose;
11. L.P. Gas;
12. Pharmaceuticals identified under Harmonized Commodity Description and Coding Numbers for customs purpose;
13. Tea supplied by the Manufacturer being a manufacturer registered with the Sri Lanka Tea Board established by the Sri Lanka Tea Board Law, No.14 of 1975, to any registered broker for sale at the Colombo Tea Auctions;
14. Any article for the use in any project approved by the relevant Minister and by the Minister in charge of the subject of Finance taking into consideration the economic benefit to the country and where the tax in respect of such project is borne by the Government;
15. Bitumen classified under HS Code No. 2714;
16. Raw materials or packing materials imported for the manufacturer of pharmaceuticals subject to the approval of the relevant authority;
17. Plant, machinery or equipment imported on temporary basis for the use of large-scale infrastructure development projects approved by the Minister in charge of the subject of Finance as being of beneficial for the economic development of Sri Lanka, on condition that goods will be re-exported after the completion of work;
18. Foreign currency notes imported, being notes classified under HS Codes 4907.00.40;
19. Raw materials or packing materials imported for the manufacture of Ayurvedic preparations which belong to the Ayurveda Pharmacopoeia or Ayurveda preparation subject to the approval of the relevant authority;
20. Pure-bred breeding animals under HS 0102.21.10 or HS 0104.20.10 milking machines under HS 8434.10, dairy machinery under HS 8434.20 and spare parts under HS 8434.90 at the point of importation
21. Solar panel modules, accessories or solar home systems for the generation of solar power energy classified under Harmonized Commodity Description and Coding Numbers for Customs purposes at the point of importation;
22. Coal;
23. Any article manufactured by a company identified as a Strategic Development Project in terms of subsection (4) of section 3 of the Strategic Development Project Act, No.14 of 2008 sold to another Strategic Development Project or to a specialized project approved by the Minister of Finance or to a company registered with Board of Investment of Sri Lanka established under the Board of Investment Law, No.4 of 1978, so far as such articles are considered as import replacement and supplied during the project implementation period; and

24. Any machinery or equipment imported or purchased locally for the purpose of generating electricity by the Ceylon Electricity Board established under the Ceylon Electricity Board Act, No.17 of 1969 or any institution which has entered into an agreement with the Ceylon Electricity Board to supply electricity, being machinery or equipment classified under Harmonized Commodity Description and Coding Numbers for Customs purposes and approved by the Minister of Finance