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EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Government Notifications

L.D.B. 6/69.

IMPORTS AND EXPORTS (CONTROL) ACT, No. 1 OF 1969

REGULATIONS made by the President under section 20 read with section 14 and subsection (3) of section 4 of the Imports and Exports (Control) Act, No. 1 of 1969 and Paragraph (2) of Article 44 of the Constitution.

MAHINDA RAJAPAKSA,
President.

Ministry of Finance and Planning,
Colombo,
18th November, 2010.

Regulations

The Special Import License Regulation, No. 1 of 1977 published in the *Gazette Extraordinary*, No. 291/7 of 15th November, 1977, amended from time to time by regulations published in the *Gazette Extraordinary*, No. 1022/6 of 08th April, 1998, and lastly amended by regulation published in the *Gazette Extraordinary*, No. 1393/21 of 20th May, 2005 is further amended as follows :—

1. By the substitution for Sub-paragraphs (a), (b), (c) and (e) of Paragraph (i) of Regulation (2) published in *Gazette Extraordinary*, No. 1022/6 of 08th April, 1998 and Sub-paragraph (d) of Paragraph (i) of Regulation (2) published in the *Gazette Extraordinary*, No. 1393/21 of 20th May, 2005 respectively of the following.

(2) (i) Import of all goods for commercial purposes shall be made on following terms of payment :—

- (a) Documents against payment (D/P);
- (b) Documents against acceptance (D/A);
- (c) Letter of Credit (L/C);
- (d) Advance payments —

- (i) where the amount of the advance payment out of the total Cost, Insurance, Freight, (C.I.F.) Value in Sri Lanka or its equivalent in other convertible foreign currencies does

not exceed United States Dollars Fifty Thousand (U.S. \$. 50,000) of the value of goods the provisions of item (a), (b), (c) and (d) of Subparagraph (ii) shall not be applicable;

- (ii) where the amount of the advance payment out of the total Cost, Insurance, Freight, (C.I.F.) value in Sri Lanka or its equivalent in other convertible currencies exceeds United States Dollars Fifty Thousand (US \$ 50,000) of the value of any goods the advance payment shall effect as follows:
 - (a) On submission to the importer's banker a bank guarantee from a reputed foreign bank; or
 - (b) On a gurantee of a commercial bank in Sri Lanka, where such a guarantee is issued against a counter guarantee of a reputed foreign bank; or
 - (c) On an unconditional standby Letter of Credit from a reputed foreign bank, provided it is irrevocable, non-transferable and contains full description of any transaction and an unambiguous condition for the prompt receipt of payment in convertible foreign currency through banking channels; and
 - (d) On the validity of bank guarantee certificate and the stand by Letter of Credit as the case may be and satisfactory documentary proof of acceptance of importer's bank regarding the adequacy of the enforcement of payment relating to bank guarantee or standby Letter of Credit.
- (iii) every accredited commercial bank shall forward to the controller of Exchange for monitoring purposes the relevant Exchange Control Form in respect of advance payment for imports duly completed by the applicant, together with a copy of the Performa Invoice or other documentary proof of value;
- (iv) every accredited commercial bank shall for monitoring purposes forward to the Controller of Import and Export a duly completed CIE 24 form made by the applicant regarding advance payment for imports in respect of release of foreign exchange for such imports specified in the Schedule hereto together with a copy of the Performa Invoice or other documentary proof of value regarding the advance payment made by any enterprise which has been registered under the Board of Investment of Sri Lanka Law.
- (e) Consignment account basis –
 - (i) where the goods imported are books, periodicals or ornamental fish imported for the purpose of re-export,
 - (ii) where gold is imported by a licensed commercial bank or any other importer with the permission of the Controller of Exchange and subject to such terms & conditions as may be imposed by him from time to time.

2. By the substitution for Sub-paragraph (b) of Paragraph (ix) of the Regulation (2) published in *Gazette Extraordinary*, No. 1022/6 of 08th April, 1998 of the following paragraphs:–

- (b) (i) The Director General of Customs shall forward to the Controller of Exchange a copy of the commercial invoice and the bank copy of the customs declaration in respect of such imports in order to monitor whether the goods received are in conformity with Advance Payment made by the importer;

- (ii) The Director General of Customs shall forward to the Controller of Import & Export a copy of the Commercial invoice and the bank copy of the customs declaration in respect of such imported goods received and advance payment made in compliance by an enterprise which has been registered under the Board of Investment of Sri Lanka.

3. By the substitution for Sub paragraph (c) of Paragraph (ix) of Regulation (2) published in *Gazette Extraordinary*, No. 1319/28 of 18th December, 2003 of the following:-

- (c) (i) for the purpose of advance payment for imports the Controller of Exchange shall tally the documents received from the Director General of Customs against the Exchange Control Forms received from the banks. In the event of the importer not receiving any or a part of the goods for which an advance payment was made within Ninety (90) days of effecting the remittance the Controller of Exchange shall take steps in accordance with the relevant law;
- (ii) the Controller of Import & Export shall monitor the advance payments for imports made by an enterprise registered under the Board of Investment of Sri Lanka by tallying the documents received from the Director General of Customs against the CIE 24 Form to release foreign exchange for imports received from the banks. In the event of the importer not receiving any or a part of the goods for which an advance payment has been made within Ninety (90) days of effecting the remittance the Controller of Import & Export shall take such steps in compliance with the provisions of the Act.

For the purpose of this regulation –

“Act” means the Import & Export (Control) Act, No. 1 of 1969;

“Enterprise which has been registered under the Board of Investment of Sri Lanka Law” means an Enterprise with which an agreement has been entered into by the Board of Investment of Sri Lanka under section 17 of the Board of Investment of Sri Lanka Law, No. 4 of 1978 and has been granted exemptions under the Exchange Control Act.