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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2394/11 - 2024 ජූලි මස 22 වැනි සඳුදා - 2024.07.22

No. 2394/11 - MONDAY, JULY 22, 2024

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

THE COLOMBO PORT CITY ECONOMIC COMMISSION ACT, No. 11 OF 2021

Order under Section 53

BY VIRTUE of the powers vested in me by Section 53 of the Colombo Port City Economic Commission Act, No. 11 of 2021, I, Ranil Wickremesinghe, Minister of Investment Promotion, having considered the recommendations of the Colombo Port City Economic Commission and upon the approval of the Cabinet of Ministers, do by this Order specify that-

- the Cabinet of Ministers, by its decision No. 24/1304/631/032 dated, July 09, 2024 has approved the designation of the business of the authorised person specified in Schedule I hereto as a Secondary Business of Strategic Importance;
- the rationale for considering such business as a Secondary Business of Strategic Importance is as specified in Schedule II hereto;
- the exemptions or incentives granted under the enactments shall be as specified in Schedule III hereto; and
- the exemptions or incentives granted under the enactments specified shall commence and cease to be operative on the dates specified in Schedule IV hereto.

RANIL WICKREMESINGHE,
Minister of Investment Promotion.

Colombo,
July 19, 2024.



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I කොටස : (I) ඡේදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය - 2024.07.22
PART I : SEC. (I) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 22.07.2024

SCHEDULE I	
Details of the business designated as a Secondary Business of Strategic Importance	
1 . Name of the Authorised Person	KPMG PROFESSIONAL SERVICES (PRIVATE) LIMITED
2 . Licence No.	2311140027
3 . Licence Issued Date	December 1, 2023 Business commencement date shall be within 6 months from the issuance of Licence (vide Regulation 27 of the Regulations for Registration, Licensing, Authorisation and other Approvals of Authorised Persons No 01 of 2022)
4 . Offshore Company Registration No.	PCC 00289495
5 . Classification of Business of Strategic Importance	Secondary Business of Strategic Importance
6 . Entitlement to the Exemptions or Incentives	KPMG PROFESSIONAL SERVICES (PRIVATE) LIMITED is designated only as a Secondary Business of Strategic Importance and not eligible to be designated as a Primary Business of Strategic Importance
7 . Eligibility Criteria	Criteria specified in Regulations 4(2)(e) and 4(3)(b) of the Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance) Regulations, No. 2 of 2023, published in the <i>Gazette Extraordinary</i> No. 2343/60 of August 04, 2023
8 . Exemption or Incentive Scheme Applicable	Scheme specified in Regulation 5 of the Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance) Regulations, No. 2 of 2023

SCHEDULE II

Rationale for the consideration of the Secondary Business of Strategic Importance

The objectives of the Colombo Port City Economic Commission, as stipulated in Section 5 of the Colombo Port City Economic Commission Act, No. 11 of 2021, have been considered in designating the business as a Secondary Business of Strategic Importance, in order to ensure the success of establishing the Colombo Port City, having regard to the national interest or the advancement of the national economy as provided for in Section 53(5) of the said Act.

KPMG is a global network of independent professional member firms providing professional services such as Audit, Tax and Advisory services. The independent member firms of the KPMG network are affiliated with KPMG International Limited, a UK company limited by guarantee. While KPMG International Limited and its related entities do not provide services to clients, each KPMG firm is a legally distinct and separate entity and describes itself as such, providing services in their respective geographic areas. KPMG Sri Lanka is one of the largest professional services firms and is also the oldest Chartered Accountancy firm in the country spanning over a century since inception in 1897. KPMG Sri Lanka presently has a resource base comprising of 19 Partners and over 1000 professionals and associates. The service portfolio of the firm spans across areas such as External Audit Services, Tax Services, Internal Audit and Risk Consultancy Services, Accounting Advisory, IT Advisory, Deal Advisory Services, Management Consultancy Services and HR Advisory Services.

KPMG PROFESSIONAL SERVICES (PRIVATE) LIMITED, is a fully owned subsidiary of KPMG Holdings (Private) Limited, a sublicensee of KPMG Sri Lanka, which is a licensee of KPMG international Limited. KPMG PROFESSIONAL SERVICES (PRIVATE) LIMITED will export their professional services to overseas clients and KPMG member firms as well as clients within the Colombo Port City. Operating as a key player within the KPMG network, KPMG PROFESSIONAL SERVICES shall establish a team of professionals based in Sri Lanka, offering solutions on banking and finance activities, information technology and business process outsourcing.

To facilitate this endeavour, and with a strategic focus on expansion, KPMG PROFESSIONAL SERVICES (PRIVATE) LIMITED intends to employ approximately 50 employees in the first year of commencing operations in the Colombo Port City, 30 in the second year, 20 in the third year, 30 each in years four and five, having a cumulative 160 individuals within 5 years of commencing operations. This growth trajectory will result in a cumulative total of 160 employees being recruited within 5 years. KPMG PROFESSIONAL SERVICES (PRIVATE) LIMITED envisions active participation in the development of the Colombo Port City, emerging as a leading professional services provider within the region, investing USD 10,000 initially, while projecting an annual revenue generation of approximately USD 2 million within the first 5 years of commencing operations.

SCHEDULE III

Exemptions or incentives granted under the enactments

<i>Enactments listed under Schedule II of the Act</i>	<i>Exemptions or incentives granted</i>
1 . Inland Revenue Act, No. 24 of 2017	(a) all income, profits, and dividends distributed shall be exempt from all taxes specified under this Act; (b) all payments made shall be exempted from the Withholding Tax specified under this Act;
2 . Value Added Tax Act, No. 14 of 2002	all imports and local purchases of business-related goods and services as approved by the Commission, shall be exempt from taxes specified under this Act.
3 . Finance Act, No. 11 of 2002	exemption from all the provisions of this Act.
4 . Finance Act, No. 5 of 2005	exemption from all the provisions of this Act.
5 . Excise (Special Provisions) Act, No. 13 of 1989	all imports and local purchases of business-related goods as approved by the Commission, shall be exempt from all taxes, duties and levies specified under this Act.
6 . Customs Ordinance (Chapter 235)	all imports of business-related goods and services as approved by the Commission, shall be exempt from all taxes, duties and levies specified under this Act.
7 . Ports and Airports Development Levy Act, No. 18 of 2011	all imports of business-related goods as approved by the Commission, shall be exempt from all taxes, duties and levies specified under this Act.
8 . Sri Lanka Export Development Act, No. 40 of 1979	all imports of business-related goods as approved by the Commission, shall be exempt from all taxes, duties and levies specified under this Act.
9 . Betting and Gaming Levy Act, No. 40 of 1988	no exemption or incentive is granted under this Act.
10 . Termination of Employment of Workmen (Special Provisions) Act, No. 45 of 1971	exemption from all the provisions of this Act.
11 . Entertainment Tax Ordinance (Chapter 267)	no exemption or incentive is granted under this Act.
12 . Foreign Exchange Act, No. 12 of 2017	exemption from all the provisions of this Act excluding the Foreign Exchange (Investments in Colombo Port City) Regulations No. 1 of 2022, published in the <i>Gazette</i> Extraordinary No. 2282/59 of June 03, 2022
13 . Casino Business (Regulation) Act, No. 17 of 2010	no exemption or incentive is granted under this Act.

<p style="text-align: center;">SCHEDULE IV</p> <p style="text-align: center;">Period of validity of exemptions or incentives granted</p>		
<i>Enactments listed under Schedule II of the Act</i>	<i>Date of commencement</i>	<i>Date of expiry</i>
1. Inland Revenue Act, No. 24 of 2017	July 15, 2024	July 14, 2049
2. Value Added Tax Act, No. 14 of 2002	July 15, 2024	July 14, 2049
3. Finance Act, No. 11 of 2002	July 15, 2024	July 14, 2049
4. Finance Act, No. 5 of 2005	July 15, 2024	July 14, 2049
5. Excise (Special Provisions) Act, No. 13 of 1989	July 15, 2024	July 14, 2049
6. Customs Ordinance (Chapter 235)	July 15, 2024	July 14, 2049
7. Ports and Airports Development Levy Act, No. 18 of 2011	July 15, 2024	July 14, 2049
8. Sri Lanka Export Development Act, No. 40 of 1979	July 15, 2024	July 14, 2049
9. Betting and Gaming Levy Act, No. 40 of 1988	Not applicable	Not applicable
10. Termination of Employment of Workmen (Special Provisions) Act, No. 45 of 1971	July 15, 2024	July 14, 2049
11. Entertainment Tax Ordinance (Chapter 267)	Not applicable	Not applicable
12. Foreign Exchange Act, No. 12 of 2017	July 15, 2024	July 14, 2049
13. Casino Business (Regulation) Act, No. 17 of 2010	Not applicable	Not applicable

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