

## **CUSTOMS DUTY - SCHEDULE 'A' OF THE CUSTOMS ORDINANCE**

### **[Prescribed under Section 10 of the Customs Ordinance (Chapter 235)]**

1. Schedule A, being the "Table of Duties" (including the list of concessions and the list of exemptions ), is comprised of a nomenclature of commodities, or groups of commodities, and rates of duties prescribed for each commodity or group of commodities classified therein.
- 2 (i) The said nomenclature is in accordance with the "Harmonized Commodity Description and Coding System" (hereinafter referred to as the "Harmonized System" or HS), comprising the headings and subheadings and their related numerical codes, the Section, Chapter and Subheading Notes and the General Rules for the interpretation of the Harmonized System, set out in the Annex to the International Convention on the Harmonized Commodity Description and Coding System. Sri Lanka is a Contracting Party to this Convention.  
  
(ii) Depending upon the national requirements, it is further sub-divided at national level. Identification of all Commodities shall be by reference to the HS Codes consisting of six digits, or where sub-divided, by reference to the National Sub-commodity Codes consisting of eight digits.
3. For determination of the duty rate or rates applicable for any goods, wares or merchandise, hereinafter referred to as commodities, the same shall be classified in the said nomenclature.
4. Where a commodity code is sub-divided at national level, it shall be mandatory to classify the commodity up to the eight digit.
5. The classification of the commodities in the nomenclature up to the sixth digit, shall be governed by the principles set out under the General Rules for the interpretation of the HS.

6. For the purposes of para.05, reference shall be made to the Explanatory Notes to the said HS.
7. Where sub-divided, the classification up to the eighth digit shall be governed by the following principles:
  - (i) The classification among the national Sub-divisions will be according to the text of each Sub-division; the text providing the most specific description shall determine the National Sub-division.
  - (ii) National Sub-divisions are comparable only with the other Sub-divisions created under the same six digit code.
  - (iii) National Sub-divisions shall be considered in the same numeric sequence as they appear in the Table of Duties. All preceding sub-divisions under the selected six digit code should be considered in their numerical sequence and exhausted, before choosing a particular eight digit sub-division.
8. Every commodity so classified shall be levied, subject to provisions of para.09 and 10 respectively, with the General Rate of duty or the Preferential Rate of duty where applicable, as prescribed against the respective Commodity Code or the National Sub-commodity Code, respectively.
9. For the purposes of para.08, wherever more than one General Rate of duty is specified, the rate that accrues the highest amount of duty shall apply, unless specified otherwise.
10. For the purposes of para.08, wherever a Preferential Rate and a General Rate of duty are prescribed for any commodity, the Preferential Rate shall be levied provided that the commodity shall be proved to the satisfaction of the Director General of Customs to have been produced or manufactured in the respective country or groups of countries as prescribed and are in accordance with the terms and conditions of the resolution prescribing such Preferential Rate or rates, as published in the Gazette.
11. Where the commodities qualify for concessionary rates listed on Annex I, the commodities shall be levied with the concessionary rates; where the commodities are qualified for exemptions as per list of exemptions on Annex II the commodity shall be exempted from such duties. For purpose of this paragraph, Director General of

Customs shall be the final authority as for deciding whether the commodity qualifies for such concessions or exemptions enumerated under schedule 'A' of the Customs Ordinance.

12. Machinery, plant and equipment, if imported disassembled or unassembled for convenience of packing, handling or transport and presented in different consignments are to be classified in the heading of the complete article if, the Director General of Customs is satisfied that the goods warranted presentation under such conditions and the rate of duty applicable for such disassembled or unassembled goods shall be the rate of duty applicable to the heading of the complete article.