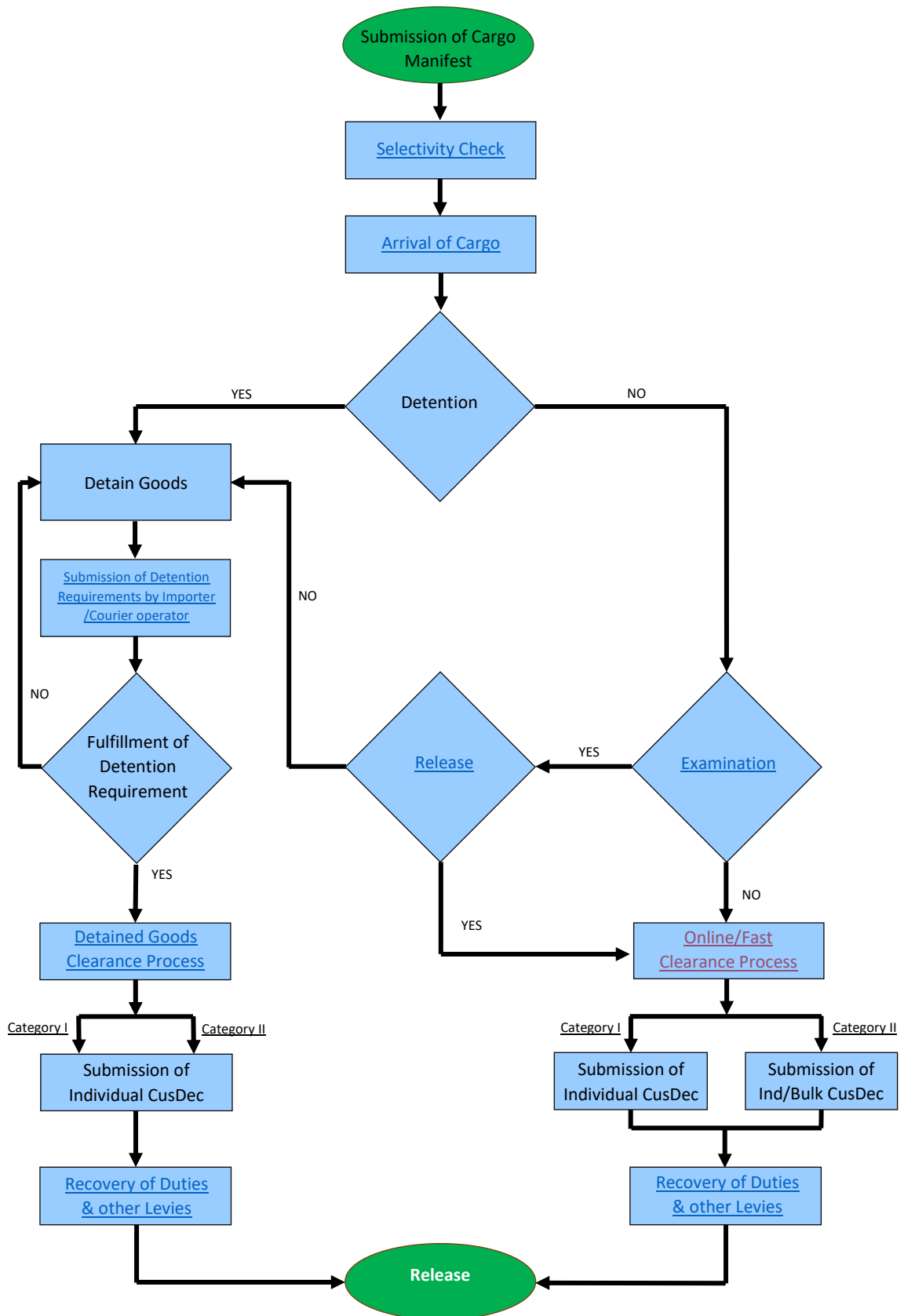


HOW TO ENJOY DUTY FREE FACILITIES THROUGH COURIER

COURIER CARGO CLEARANCE PROCESS – SRI LANKA CUSTOMS



1. INTRODUCTION

The [World Trade Organization's Trade Facilitation Agreement \(WTO-TFA\)](#) requires each member to adopt or maintain procedures allowing for the expedited release of at least those goods entered through air cargo facilities to persons who apply for such treatment, while maintaining Customs control.

In that context;

- Parcel Post;
- Courier and
- Unaccompanied Passenger Baggage (UPB)

are identified as the areas to be considered under Expedited Shipments of the WTO-TFA.

2. CLEARANCE PROCEDURE

Below steps of above process flow chart explain the courier cargo clearance procedure.

- **Submission of Cargo Manifest**

Each courier operator shall submit the detailed cargo manifests manually and electronically to Sri Lanka Customs (SLC) three hours prior to the arrival of the consignment to the bonded warehouse.

The detailed cargo manifest shall consist of the following details.

A. Exporter's Name and Address	B. Importer's Name and Address
C. Description of goods	D. Number of Packages
E. Quantity of each Item	F. Value
G. Weight	H. Consignment Identification Number
I. Country of Origin	J. Date of Arrival
K. Place of Arrival	L. Name of carrier & date

- **Selectivity Check**

Superintendent of Customs (SC) or the Customs Appraiser on duty shall conduct a selectivity check prior to the arrival of consignments on the manifests submitted for clearance of such consignments and identify the consignments that are to be released without physical examination and the consignments that are to be detained before release and shall make necessary endorsements on the manifests. The consignments marked for detention may be arranged for examination on arrival of the consignments.

- **Arrival of Cargo**

Upon the arrival of courier cargo, adequate financial guarantees/deposits with the Customs shall be provided by the courier operator to secure the payment of duties, taxes, levies and other charges applicable. The Operator/Bondsman shall be responsible for the safe custody and security of all consignments and ensure those consignments are secured in the bonded warehouse till necessary Customs clearance is granted.

If the Operator fails to fulfill any Customs requirement in facilitating the said operation, examining of all courier consignments shall be adopted. Operator shall have facility to scan each and every consignment deposited in their respective warehouses and shall have the backups of their system.

- **Examination of Consignment**

Customs Appraiser/SC on duty shall decide whether to undertake physical examination or not for the consignments that are not detained at the time of cargo arrival. Consignment that does not require physical examination by Customs shall be released by the courier operator by processing via online/fast clearance process.

A bulk Customs Declaration (CusDec) shall be perfected by courier operator as per the information shown in the manifests (House Air-way bill numbers, description, unit of measurement, value along with the names of the relevant notify party as each separate item) for the consignments that are not marked for examination shall be released by the courier operator only after making necessary endorsements in the "Inspection Act" of the Asycuda system by Appraiser/SC/DDC.

- **Release of Consignment**

Physical examination is conducted by the Customs Appraiser/SC for the consignments identified, and if there is no any restricted, prohibited or license required item in the consignment, the consignment shall be proceeded for the online/fast clearance process.

The courier operator shall perfect an individual CusDec for the consignments which were selected for the physical examination by Customs and shall be released only after recovering of duties and levies and making endorsements in the "Inspection Act" of the Asycuda system by Appraiser/SC/DDC.

At the time of physical inspection if any restricted, prohibited or license required item found, Customs officer shall order the courier operator to detain such consignment till detention requirement is fulfilled.

- **Submission of Detention Requirement by Importer/Courier Operator**

The courier operator shall inform the importer/consumer of the consignments that were detained by Customs for the purpose of further requirement of documents and/or licenses (passport is the required document to claim the [baggage allowance](#)). Once required

documents and/or licenses are submitted by importer or courier operator and if Customs is satisfied with the submission, the consignment shall be released by the courier operator by perfecting an individual CusDec for the consignments which were selected for the physical examination by Customs and shall be released only after recovering of duties and levies and making endorsements in the "Inspection Act" of the Asycuda system by Appraiser/SC/DDC.

If Customs is not satisfied with the submission of documents and/or licenses or if the detained consignment is a prohibited item, the Customs may further detain the consignment.

- **Detain Goods Clearance Process**

Consignments which are detained by SLC for various purpose can cleared upon submission of an individual CusDec by courier operator. This is applicable for [both categories of consignments](#) (3.1. & 3.2.).

- **Online/Fast Clearance Process**

Consignments which are not detained by SLC can be cleared upon submission of an individual CusDec or bulk CusDec by courier operator. [Category I](#) (3.1.) consignments can be cleared upon submission of individual CusDec and [Category II](#) (3.2.) can be cleared upon submission of both individual and bulk CusDec

3. Categorization of Consignments

The courier operator upon arrival of the cargo manifest of courier consignments shall classify those as per below.

- Correspondence and Documents
- Consignments Eligible for *de-minimis* Concessions
- Dutiable Consignments

If any unmanifested consignments or short landed consignments found, the courier operator shall notify to the Customs of such discrepancy.

The above classification of consignments can be categorized as follows.

3.1. Category I - Consignments eligible for *de-minimis* Concessions

3.2. Category II - Consignments not eligible for *de-minimis* Concessions

3.1. Consignments Eligible for *de-minimis* Concessions

Consignments for which taxes are waved below a defined value with regard to personal items and trade samples will be considered as consignments that are eligible for *de-minimis* concessions. These consignments shall be cleared upon the submission of an individual CusDec under the registered Tax Identification Number (TIN) of the consignee. However, the courier operator may act as the declarant.

de-minimis concessions are stipulated in the government gazette notifications and the following concessions are available for parcel post, courier and UPB consignments such as personal items and trade samples and may be cleared under following National Procedure Codes (NPC).

NPC	Description	Act/Gazette Notifications
DMB	<i>de-minimis</i> concession applicable only for samples, imported via courier and parcel post, in relations to business, worth not more than LKR 50,000 for Customs Import Duty (CID) and LKR 10, 000 for Value Added Tax (VAT)	CID Annex 1 – Gazette Notification No. 2044/31
DMP	<i>de-minimis</i> concession applicable only for personal items (including gifts), imported via courier and parcel post, worth not more than LKR 15,000 for CID and LKR 10, 000 for VAT	VAT Value Added Tax Act No.14 of 2002 (refer page 105)

3.2. Consignments not Eligible for *de-minimis* Concessions

Consignments which are not eligible for *de-minimis* concessions can be further divided as follows.

3.2.1. Letters and Documents

3.2.2. Dutiable Consignments

3.2.1. Letters and Documents

Letters means post cards and letters containing personal messages only. Documents means literature for the blind; and printed matters not subject to duties and taxes (non-commercial quantity). This excludes items referred in [paragraph 1\(b\) \(iv\) of Article 8 of Schedule E of Customs Ordinance](#).

The importation of any goods which are restricted under law ([Schedule B of Customs Ordinance](#)) is subjected to SLC examination. The courier operator shall inform the respective recipient of the consignment to furnish the required documents in order to clear the consignment.

3.2.2. Dutiable Consignments

Consignments other than letters and documents will be categorized as dutiable consignments. The consignments of which are restricted or prohibited under any law or regulations shall be detained by SLC and the operator shall provide the required or necessary documents for clearance on behalf of the consignee/recipient.

4. Obligation

Courier Operator shall keep records of manifests, airway bills, Invoices and other relevant documents for a period of five (5) years for various audit and other purposes.

5. Abbreviations and Interpretations

CID	- Customs Import Duty
Courier Operator	- An individual or a company who is registered with Customs, responsible for the exchange of items between two or more parties for a speedy and safe delivery
DDC	- Deputy Director of Customs
<i>de-minimis</i>	- Threshold limit for tax concessions
DMB	- <i>de-minimis</i> Business
DMP	- <i>de-minimis</i> Personal
NPC	- National Procedure Codes
SC	- Superintendent of Customs
SLC	- Sri Lanka Customs
TFA	- Trade Facilitation Agreement
TIN	- Tax Identification Number
UPB	- Unaccompanied Passenger Baggage
VAT	- Value Added Tax
WTO	- World Trade Organization

Annexures

Annex 1

N. B. - Sinhala and Tamil Versions are printed Separately.



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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2044/31 - 2017 නොවැම්බර් මස 09 වැනි මුහුණපත්තින්දා - 2017.11.09

No. 2044/31 - THURSDAY, NOVEMBER 09, 2017

(Published by Authority)

PART I : SECTION (I) – GENERAL

Government Notifications

CUSTOMS NOTIFICATION

Revenue Protection Order No. 04/2017

REVENUE PROTECTION ACT, No. 19 OF 1962

THE following Order made by the Minister of Finance and Mass Media, in pursuance of the powers vested in him by Section 2 of the Revenue Protection Act, No. 19 of 1962, is hereby published for general information.

R. H. S. SAMARATUNGA,
Secretary,
Ministry of Finance and Mass Media.

Ministry of Finance and Mass Media,
Colombo 01.
09th November, 2017.

REVENUE PROTECTION ACT, No. 19 OF 1962

ORDER

By virtue of the powers vested in me under Section 2 of the Revenue Protection Act, No. 19 of 1962, I, Mangala Samaraweera, Minister of Finance and Mass Media of the Democratic Socialist Republic of Sri Lanka, do by this Order effective from November 10, 2017.

IA - PG3753 - 537 (2017/11)

This Gazette Extraordinary can be downloaded from www.documents.gov.lk



Annex 1

2A I ඡායාපිඨය: (I) ඡේදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය - 2017.11.09

PART I. SEC. (I) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 09.11.2017

- (a) require the Director General of Customs to demand and levy on each article specified in Column 3 of the Schedule hereto, import duty at the general rate set out in the corresponding entry in Column 5 of that Schedule or where a preferential rate is leviable and payable under the Provisions of Schedule 'A' of the Customs Ordinance (Chapter 235), at the preferential rate set out in the corresponding entry in Column 4 of that Schedule;
- (b) delete the List of Concessions under the Provisions of Schedule 'A' of the Customs Ordinance (Chapter 235) and substitute therefore the List of Concessions in the Annex I to the Schedule hereto and require the Director General of Customs to demand and levy on each article specified in Column 2 of the said Annex I of the Schedule hereto, import duty at the rate set out in the corresponding entries in Column 3 thereof; and
- (c) delete the List of Exemptions under the Provisions of Schedule 'A' of the Customs Ordinance (Chapter 235) and substitute therefore the List of Exemptions as set out in the Annex II to the Schedule hereto and require the Director General of Customs to exempt the articles described in the said Annex II from import duty.

MANGALA SAMARAWEEERA,
Minister of Finance and Mass Media.

Ministry of Finance and Mass Media,
Colombo 01.
09th November, 2017.

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Annex 1

722A / 1 මහලයා : (1) කඩයා - ශ්‍රී ලංකා ප්‍රජාතන්ත්‍රවාදී සමාජවාදී ජනරජයේ මහලයා - 2017.11.09
 PART I (SEC 3) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 09.11.2017

Annex I

To Schedule under the Revenue Protection Order

LIST OF CONCESSIONS (IMPORTS)

Item 1	Description 2	Rate of Duty 3
01	Containers for the purpose of packing of gem and jewelry, imported on the recommendation of the Secretary to the Ministry of Industry and Commerce, and subject to the approval of the Director General of Customs.	7.5%
02	Containers and parts thereof for the purpose of packing of Cosmetics, imported on the recommendation of the Secretary to the Ministry of Industry and Commerce, and subject to the approval of the Director General of Customs.	5%
03	Branched copoly wire used for automated winding of induction electric motors, imported on the recommendation of the Secretary to the Ministry of Industry and Commerce, and subject to the approval of the Director General of Customs.	7.5%
04	Thermosetting resins for matrix bonding to be used for mirror industry, imported on the recommendation of the Secretary to the Ministry of Industry and Commerce, and subject to the approval of the Director General of Customs.	15.0%

Annex II

To Schedule under the Revenue Protection Order

LIST OF 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/proposes 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 197A of the Customs Ordinance (Chapter 225).
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 reward of meritorious achievement and conduct, imported by or on behalf of that person on the recommendation of

Annex 1

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 PART I, SEC 1: GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 45.11.2017

- 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 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 of Indigenous Medicines, imported on the recommendation of the Secretary to the Ministry 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 (Herbs, Soap and Ayurveda / Herbal Herb Paste, imported on the recommendation of the Secretary to the Ministry of Indigenous Medicines, subject to approval by Director General of Customs.
 - 08 Prefabricated poultry houses, plant, machinery and equipment including parts and accessories for poultry industry, on the recommendation of the Secretary to the Ministry of Investment Development, imported subject to approval by 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 to Ministry of Health, subject to approval by the Director General of Customs.
 - 10 Articles of foreign production upon which import duty had previously been paid, re-imported subject to approval by 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 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 the exclusive use of an industry which exports (or for samples to direct exporters) 50% or more of its output, under such terms and conditions approved by 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 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 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 an 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 by the Director General of Customs.
 - 20 Products and preparations notified by the Ministry of Health as having been registered as drugs under the Cosmetics Devices and Drugs Act, imported subject to approval by the Director General of Customs.
 - 21 Import of personal items (including gifts) worth not more than Rs. 15,000/- subject to approval by the Director General

Annex 1

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 PART I: SEC. (1) - GAZETTE EXTRA ORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 08.11.2017

of Customs

- 22. In part of samples in relations in business worth not more than Rs. 50,000/- 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 aluminium 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 of Industry and Commerce, subject to approval by the Director General of Customs.
- 24. Long grain Pakistani rice (Basmati) and pommes up to the limits of quota determined under the Pakistan - Sri Lanka Free Trade Agreement, on the recommendation of the Secretary, Ministry of Industry and Commerce or the Director General of Commerce, imported subject to approval by the Director General of Customs.
- 25. Any machinery, equipment, materials and utility vehicles required for the purpose of providing electricity including distribution of electricity, by the Ceylon Electricity Board and its subsidiary companies, and similar for the use of any project for the generation of power including solar and wind power, under any agreement entered into between Government of Sri Lanka and its development partners, as recommended by the Secretary to the Ministry of Foreign and Energy, subject to approval by 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/developing, with 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 / or / Leather Processing companies for the use of leather products manufacturers, imported on the recommendation of the Secretary to the Ministry in charge of the subject of industries and approved by the Director General of the Customs.
- 28. Tools, materials and equipment, supplied by a manufacturer to manufacture electronic and other 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 and subject to the approval of the Director General of Customs.
- 29. Weapons, armaments, ancillary equipment, ammunition, explosives, communication equipment, military vehicles, air and sea vessels, equipment and spare parts thereof capable of being used by the armed forces and equipped by the Service Commanders and the Inspector General of Police for the purpose of national security as recommended by the Secretary to the Ministry of Defence, subject to approval by the Secretary to the Treasury.
- 30. Raw materials, components, parts and accessories for the manufacture of fishing boats by manufacturers, imported on the recommendation of the Secretary to the Ministry of Fisheries subject to approval by 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 by the Director General of Customs; weather stations, greenhouses, poly-tunnels, sprayer / misting systems, drip irrigation systems, fertigation systems, hydroponic systems, mulch films, pond liner, hydroponic trays, horticulture lamps and shade in 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 of Industry and Commerce, subject to approval by the Director General of Customs.
- 33. Import of vehicles, chassis fitted with engines, bodies and cut portions, as defined in Chapter 87 where extra special provisions/duty 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 of Transport, subject to approval by the Director General of Customs.
- 35. Unbranded new tyre casings without any moldings, imported by a branded tyre manufacturer for local value addition process on the recommendation of the Secretary to the Ministry of Industry and Commerce and subject to the approval of

Annex 1

අංකය : (1) 2017 - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ නව විශේෂ පුවරු පත්‍රය - 20711.00 725A
PART I, SEC. 10 - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 05/12/17

the Director General of Customs

- 26. Ingredients other than maize, lentils and rice, for the purpose of manufacturing animal and poultry feed, imported on the recommendation of the Secretary to the Ministry in charge of subject of Livestock Development, subject to approval by the Director General of Customs.
- 27. 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; and subject to approval of Director General of Customs.
- 28. Prefabricated building material (HS Code 7216.32) and Otherwise plated or coated with zinc (HS Code 7212.30), imported by a registered manufacturer on the recommendation of the Secretary to the Ministry in charge of the subject of Industries and approved by the Secretary to the General Treasury.

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