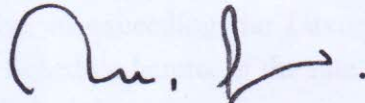


GOVERNMENT NOTIFICATION

NOTIFICATION UNDER THE FINANCE ACT, No. 35 OF 2018

BY virtue of the powers vested in me by Section 51 read with Section 19 of the Finance Act, No. 35 of 2018, I, Mangala Samaraweera, Minister of Finance, do by this Order promulgate the following regulations.



MANGALA SAMARAWEERA,
Minister of Finance

Ministry of Finance,
Colombo 01,
October 21, 2019.

REGULATIONS

1. These regulations may be cited as the Finance (Luxury Tax on Motor Vehicles) Regulations, No. 2 of 2019 and shall be effective from November 01, 2019.
2. The date for the purposes of Sections 19, 20 and 21 of the Finance Act, No. 35 of 2018 shall be March 6, 2019.
3. The luxury tax on motor vehicles payable in terms of Section 19 of the said Act, on a specified motor vehicle, imported into Sri Lanka based on a Letter of Credit (LC) established on or after March 06, 2019 or assembled in Sri Lanka for which the Bill of entry delivered to the Director General of Customs on or after March 06, 2019, shall be paid to the Director General of Customs, by the person importing such motor vehicle, or delivering such Bill of entry, as the case may be, at the time of releasing the said motor vehicle from the Sri Lanka Customs.
4. Provided that ;
 - (a) The luxury tax on motor vehicles shall be applied at zero (0%) rate on a motor vehicle, imported into Sri Lanka based on a Letter of Credit established on or before March 05, 2019 subject to no amendment is made to the description or quantity or technical specifications of such motor vehicle in the said Letter of Credit and value or expiry date of the said Letter of Credit and released from the Sri Lanka Customs on or before December 31, 2019 and

(b) For greater certainty, a petrol motor vehicle of which the cylinder capacity not exceeding 1800 cc or a diesel motor vehicle of which the cylinder capacity not exceeding 2300 cc or an electric motor vehicle of which the motor power of the engine not exceeds 200kW, imported into Sri Lanka based on a Letter of Credit established within the period from March 06, 2019 to October 31, 2019 subject to no amendment is made to the description or quantity or technical specifications of such motor vehicle in the said Letter of Credit and value or expiry date of the said Letter of Credit and released from the Sri Lanka Customs on or before March 31, 2020, shall not be subject to the luxury tax on motor vehicles.

5. The Luxury Tax on Motor Vehicles shall be charged on every specified motor vehicle as specified in Column I, of which the Cost, Insurance Freight (CIF) value or the Ex-Factory Price (Manufacturer's Price), as the case may be, in exceeding the Luxury Tax Free Threshold Value as specified in Column II of the Schedule hereto, at the rate specified in the corresponding entry in Column III of the said Schedule.

For the purpose of these Regulations,

“Luxury Tax Free Threshold Value” means the maximum Luxury Tax free value of the Cost, Insurance, Freight (CIF) value or the Ex-Factory Price (Manufacturer's Price) of a locally assembled, as the case may be, of a motor vehicle as defined in the Column II of the Schedule to these Regulations

6. The *Gazette Notification* No.2113/11 dated March 05, 2019, as amended, published under the Sections 51 read with Section 19 of the Finance Act, No. 35 of 2018, is hereby repealed with effect from November 01, 2019.

SCHEDULE

<i>H. S. Heading</i>	<i>H. S. Code</i>	<i>I Description</i>	<i>II Luxury Tax Free Threshold</i>	<i>III Rate (Applicable on the amount exceeding the Luxury Tax Free Threshold)</i>
87.02		Motor vehicles for the transport of ten or more persons, including the driver.		
	8702.10	With only compression-ignition internal combustion piston engine (diesel or semi-diesel) :		
		Motor vehicles for the transport of less than 13 persons (adults) including the driver, not more than three and a half years old:		
	8702.10.12	Modified vehicles of heading 87.03, not more than two years old	Rs. 3.5 Mn	120%
	8702.10.13	Modified vehicles of heading 87.03, more than two years old	Rs. 3.5 Mn	120%
	8702.10.19	Other	Rs. 3.5 Mn	0%
		Motor vehicles for the transport of less than 13 persons (adults) including the driver, more than three and a half years old :		
	8702.10.21	Modified vehicles of heading 87.03	Rs. 3.5 Mn	120%
	8702.10.29	Other	Rs. 3.5 Mn	0%
		Motor vehicles for the transport of 13 or more persons (adults) but less than 25 persons (adults) including the driver, not more than five years old :		
	8702.10.32	Modified vehicles of heading 87.03, not more than two years old	Rs. 3.5 Mn	120%
	8702.10.33	Modified vehicles of heading 87.03, more than two years old	Rs. 3.5 Mn	120%
	8702.10.39	Other	Rs. 3.5 Mn	0%
		Motor vehicles for the transport of 13 or more persons (adults) but less than		

		25 persons (adults) including the driver, more than five years old:		
	8702.10.41	Modified vehicles of heading 87.03	Rs. 3.5 Mn	120%
	8702.10.49	Other	Rs. 3.5 Mn	0%
		Motor vehicles for the transport of 25 or more persons (adults) but less than 35 persons (adults) including the driver, not more than ten years old:		
	8702.10.53	Modified vehicles of heading 87.03, not more than two years old	Rs. 3.5 Mn	120%
	8702.10.54	Modified vehicles of heading 87.03, more than two years old	Rs. 3.5 Mn	120%
	8702.10.55	Other, not more than five years old	Rs. 3.5 Mn	0%
	8702.10.59	Other	Rs. 3.5 Mn	0%
		Motor vehicles for the transport of 25 or more persons (adults) but less than 35 persons (adults) including the driver, more than ten years old :		
	8702.10.61	Modified vehicles of heading 87.03	Rs. 3.5 Mn	120%
	8702.10.69	Other	Rs. 3.5 Mn	0%
		Other, not more than ten years old		
	8702.10.73	Modified vehicles of heading 87.03, not more than two years old	Rs. 3.5 Mn	120%
	8702.10.74	Modified vehicles of heading 87.03, more than two years old	Rs. 3.5 Mn	120%
	8702.10.75	Other, not more than five years old	Rs. 3.5 Mn	0%
	8702.10.79	Other	Rs. 3.5 Mn	0%
		Other, more than ten years old		
	8702.10.81	Modified vehicles of heading 87.03	Rs. 3.5 Mn	120%
	8702.10.89	Other	Rs. 3.5 Mn	0%
	8702.20	With both compression-ignition internal combustion piston engine (diesel or semi-		

