

Government Notifications

PORTS AND AIRPORTS DEVELOPMENT LEVY ACT, No. 18 OF 2011

Order under Section 3

BY virtue of the powers vested in me by Sub-section (3) of Section 3 of the Ports and Airports Development Levy Act, No. 18 of 2011, I, Mahinda Rajapaksa, Minister of Finance, Economy and Policy Development do hereby this Order declare that,

1. Ports and Airports Development Levy;

- a) Shall be charged and levied on import of each article specified in Column III corresponding to the H. S. Headings and H. S. Codes mentioned in Column I and II of the Schedule I hereto, the concessionary rate of 5.0% as is specified in its corresponding entry in Column IV,
- b) Shall be charged and levied on import of each article specified in Column III corresponding to the H. S. Headings and H. S. Codes mentioned in Column I and II of the Schedule II hereto, the concessionary rate of 7.5% as is specified in its corresponding entry in Column IV,
- c) Shall be exempt on import of each article specified in Column III corresponding to the H. S. Headings and H. S. Codes mentioned in Columns I and II of the Schedule III hereto, and;
- d) Shall be charged and levied on import of any article, other than import of articles as referred to under Sub-paragraph 1(a), 1(b) and 1(c) above, at the rate of 10.0%.

2. Declare the following articles as exempt articles from the payment of Ports and Airports Development Levy on:

- a) Importation of plant, machinery or equipment by any enterprise qualified for a tax holiday under section 16D or under Section 17A of the Inland Revenue Act, No. 10 of 2006, for the use by such enterprise for the purposes specified in the agreement entered into with the Board of Investment of Sri Lanka established under the Board of Investment of Sri Lanka Law, No. 4 of 1978, on which tax is deferred during the project implementation period subject to the fulfillment of the conditions specified in the agreement entered into.
- b) Importation of project related capital goods not being plant, machinery or equipment by any enterprise engaged in construction activities qualified for a tax holiday under Section 17A of the Inland Revenue Act, No. 10 of 2006, which has entered into an agreement with the Board of Investment of Sri Lanka established under the Board of Investment of Sri Lanka Law, No. 4 of 1978, other than the articles in the negative list published by the Secretary to the Treasury, during the project implementation period for the use by such enterprise for construction propose, subject to the conditions such articles are not obtainable in Sri Lanka and recommended by the Director General of Board of Investment on the request made to in that regard by such enterprise.

- c) Importation of project related capital goods during the project implementation period by any export oriented manufacturing enterprise, which has entered into an agreement on or after November 1, 2016, with the Board of Investment of Sri Lanka under Section 17 of Board of Investment of Sri Lanka Law, No. 04 of 1978, where the investment made in the fixed assets other than lands by such enterprise is not less than US\$ 200 million, subject to recommendation by the Director General of Board of Investment on the request made to in that regard by such company.
- d) Import of medical equipment to be donated to a health institution which provides health care services free of charge, as approved by the Minister in charge of the subject of Finance on the recommendation of the Secretary to the relevant line Ministry.
- e) Import of goods (other than motor vehicles and goods for the personal use) required for the purpose of provision of international transportation which are consigned to Sri Lankan Airlines Limited, Mihin Lanka (Pvt) Ltd and Air Lanka Catering Services Ltd.
- f) Importation of samples to Sri Lanka in relation to business worth not more than 50,000/- Rupees subject to such terms and conditions as prescribed by the Director General of Customs.
- g) Importation of project related capital goods by any enterprise, which has entered into an agreement with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment of Sri Lanka Law, No. 4 of 1978, for the use in any project of such enterprise having a capital investment of not less than US\$ 50 million during the project implementation or construction period and prior to the commencement of commercial operations except any project approved under the Commercial Hub Regulation and Strategic Development Project Act, No. 14 of 2008.
- h) Importation of project related capital goods by any enterprise which invests on a project to establish climate controlled warehouse facility/cold chain logistics infrastructure facility, subject to approval of list of goods, as classified under the Harmonized System of Commodity classification (08 Digit basis) by the Secretary to the Ministry of Finance on the recommendation of the Secretary in charge of the subject of the Food Commissioner's Department during the project implementation or construction period of the said project but prior to commencement of commercial operations. Provisions of this paragraph shall be valid for 3 years from the date of publication of this Order.
- i) Sale of yachts and other vessels for pleasure or sports; rowing boats and canoes: sailboats, with or without auxiliary motor classified under the HS Code of 8903.91.00, by any enterprise, which has entered in to an agreement with the Board of Investment of Sri Lanka established under the Board of Investment of Sri Lanka Law, No. 4 of 1978 and engaged in the manufacturing of boats, to any enterprise which has entered into an agreement with the aforesaid Board of Investment of Sri Lanka and chartering such vessels and yachts for supply of service.

3. The orders made under Sub-section (3) of Section 3 of the Ports and Airports Development Levy Act, No. 18 of 2011 and published in the Extraordinary Gazette Notification Nos. 2049/16 of 13.12.2017, 2065/42 of 06.04.2018, 2079/34 of 11.07.2018, 2113/10 of 05.03.2019, 2122/16 of 07.05.2019, 2125/64 of 31.05.2019 and 2142/7 of 24.09.2019 are hereby rescinded without prejudice the validity of anything done under said Orders in this Paragraph 3.

4. This order shall come into effect from ⁰⁶..... December, 2019.



MAHINDA RAJAPAKSA,
Minister of Finance,
Economy and Policy Development.

Ministry of Finance, Economy and Policy Development,
Colombo 01,
⁰⁵..... December, 2019.