

BRIEF ON THE CHANGES TO THE IMPORTS AND EXPORTS (CONTROL) ACT NO.1 OF 1969 IN MARCH 2022

INTRODUCTION

This is the 9th brief in a series that presents an analysis of the amendments to the regulations on the Imports and Exports (Control) Act (since April 2020¹). This brief analyses the Gazette that was issued on March 9th, 2022 (refer below) and aims to provide clarity and awareness on the changes to this Import and Export (Control) Regulation.

- [Imports and Exports \(Control\) Regulations No. 5 of 2022 published in the Gazette Extraordinary No. 2270/18 dated 09 March 2022](#)

KEY TAKEAWAYS

- This Gazette is applicable to the importation of goods with a date of Bill of Lading/Airway Bill on or after March 10th, 2022.
- The Gazette imposed Import Control Licensing (ICL) requirement on 367 products. Machinery/Electrical items saw the highest number of additions for the ICL requirement followed by food items and footwear.
- It can be noted that about 85% of the products that came under ICL regulations were previously in the import restriction list requiring a credit facility of 90 days (C-90 days) and 180 days (C-180 days). The credit facility regulation was imposed through 10 Gazettes from April 2020 to June 2021.
- Observing the overall restrictions (in the form of Temporary Suspension - TS, ICL and Banned) in the sectors placed from November 2017 to March 2022, most restrictions are in the transport sector followed by Chemical and Allied Industries and Textiles.

KEY CHANGES OBSERVED

- The 367 items listed in the Gazette, will require an Import Control License (ICL) issued by the Controller General of Imports and Exports Control in order to import these goods. These are also subject to the approval of the Secretary to the Ministry of Finance.

¹ Summary of these regulations can be accessed in Annexure 2

- A special imports license fee ranging from 0.1% to 1.0% on the Cost, Insurance, and Freight (CIF) value will also be charged on these goods.

Table 01: Items with a import control fee

Items	Import Control License Fee/ CIF value
Dairy Products	0.1%
Fruits	0.1%
Prepared Flour & Starches	0.1%
Prepared foods, chocolate, and pasta	0.1%
Tobacco products	1.0%
Cosmetic	0.4%
Preparation of Dental Hygiene, wet wipes	0.1%
Candles and lightings	0.1%
Articles made of rubber	0.1%
Articles of leather, Saddlery, harness, travel bags, Articles of Fur and woods	0.1%
Carpets	0.1%
Apparels and fabrics (except batik and handlooms), Footwear, Hats, and Other headgears	0.1%
Umbrella, Hair Dresses, and Combs	0.1%
Ceramicware & Glassware	0.1%
Non-Electric domestic appliances, Kitchenware, Household articles	0.1%
Electric appliances	0.1%
Monitors, Projectors, and parts	0.1%
Spectacles, Watches, Clocks, and Musical Instruments	0.1%
Seats and Furniture	0.1%
Toys	0.4%

- Our analysis shows that many of the goods added to the ICL regulation from March 2022 were previously in the credit facility requirement of 90 days and 180 days (previously referred to as C-90 days and C-180 days in the past briefs). The credit facility regulation was imposed on imports from April 2020 to June 2021. The below table provides a summary of this analysis.

Table 02: Summary of items added to the ICL regulations

	Items previously in C-90 days	Items previously in C-180 days	Newly added items	Total

Number of Items (at HS 8 digit level)	282	29	56 ²	367
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OVERVIEW OF THE SECTOR IMPLICATIONS

Machinery/Electrical items saw the highest number of additions under the ICL requirement with a share of 28% followed by food items (12%) and footwear (11%). The table below provides a brief summary of the items that came under ICL regulations from March 2022.

Table 03: Summary of Products (at HS 8-digit level) under ICL regulations from March 2022

HS Chapter Range	Product Description	Import Control License (ICL)	Share %
01-05	Animal and Animal Products	14	3.81
06-15	Vegetable Products	18	4.90
16-24	Food Stuff	43	11.72
25-27	Mineral Products	0	0.00
28-38	Chemical and Allied industries	23	6.27
39-40	Plastics/Rubbers	11	3.00
41-43	Raw Hides, Skins, Leather, and Furs	20	5.45
44-49	Wood and Wood Products	1	0.27
50-63	Textiles	13	3.54
64-67	Footwear/Headgear	39	10.63
68-71	Stone/Glass	13	3.54
72-83	Metals	22	5.99
84-85	Machinery/Electrical	104	28.34
86-89	Transportation	0	0.00
90-97	Miscellaneous	46	12.53
Total		367	100.00

Observing the overall restrictions (Temporary Suspended - TS, ICL, and Banned) in sectors placed during the period from November 2017 to March 2022, most restrictions are in the transport sector accounting for 27% of import restrictions followed by Chemical and Allied industries (21%) and Textiles (11%).

Table 04: Summary of Products (at HS 8-digit level) under Import Restrictions

² These items include; apples, grapes, butter, cheese, alcohol and tobacco, fans, sunglasses, keyboard instruments, etc.

HS Chapter Range	Product Description	Temporary Suspension (TS)	Import Control License (ICL)	Suspended ICL (SL)	Banned (B)	Total	Share %
01-05	Animal and Animal Products	7	89	0	1	97	4.16
06-15	Vegetable Products	70	56	50	3	179	7.69
16-24	Food Stuff	8	85	0	0	93	3.99
25-27	Mineral Products	6	56	0	3	65	2.79
28-38	Chemical and Allied industries	7	439	1	37	484	20.78
39-40	Plastics/Rubbers	19	21	0	5	45	1.93
41-43	Raw Hides, Skins, Leather, and Furs	0	21	0	0	21	0.90
44-49	Wood and Wood Products	8	5	0	0	13	0.56
50-63	Textiles	0	255	6	0	261	11.21
64-67	Footwear/Headgear	3	43	0	0	46	1.98
68-71	Stone/Glass	32	28	2	0	62	2.66
72-83	Metals	0	52	0	0	52	2.23
84-85	Machinery/Electrical	0	131	38	0	169	7.26
86-89	Transportation	246	38	323	0	607	26.06
90-97	Miscellaneous	32	69	34	0	135	5.80
Total		438	1388	454	49	2329	100.00

Source: EIU calculations based on Customs Data

Annexure 1

List of the Extraordinary Gazettes implemented since April 2020 to curtail imports.

1. [Imports and Exports \(Control\) Regulations No. 01 of 2020 published in the Gazette Extraordinary No. 2171/5 dated 16 April 2020](#)
2. [Imports and Exports \(Control\) Regulations No. 02 of 2020 published in the Gazette Extraordinary No. 2176/19 dated 22 May 2020](#)
3. [Imports and Exports 6 \(Control\) Regulations No. 03 of 2020 published in the Gazette Extraordinary No. 2182/10 dated 30 June 2020](#)
4. [Imports and Exports \(Control\) Regulations No. 04 of 2020 published in the Gazette Extraordinary No. 2184/21 dated 16 July 2020](#)
5. [Imports and Exports \(Control\) Regulations No. 05 of 2020 published in the Gazette Extraordinary No. 2189/04 dated 18 August 2020](#)

6. [Imports and Exports \(Control\) Regulations No. 06 of 2020 published in the Gazette Extraordinary No. 2189/05 dated 18 August 2020](#)
7. [Imports and Exports \(Control\) Regulations No. 07 of 2020 published in the Gazette Extraordinary No. 2193/9 dated 15 September 2020](#)
8. [Imports and Exports \(Control\) Regulations No. 08 of 2020 published in the Gazette Extraordinary No. 2198/2 dated 19 October 2020](#)
9. [Imports and Exports \(Control\) Regulations No. 09 of 2020 published in the Gazette Extraordinary No. 2199/20 dated 29 October 2020](#)
10. [Imports and Exports \(Control\) Regulations No. 10 of 2020 published in the Gazette Extraordinary No. 2206/05 dated 14 December 2020](#)
11. [Imports and Exports \(Control\) Regulations No. 11 of 2020 published in the Gazette Extraordinary No. 2207/15 dated 24 December 2020](#)
12. [Imports and Exports \(Control\) Regulations No. 1 of 2021 published in the Gazette Extraordinary No. 2209/18 dated 05 January 2021](#)
13. [Imports and Exports \(Control\) Regulations No. 3 of 2021 published in the Gazette Extraordinary No. 2214/56 dated 11 February 2021](#)
14. [Imports and Exports \(Control\) Regulations No. 04 of 2021 published in the Gazette Extraordinary No. 2222/31 dated 06 April 2021](#)
15. [Imports and Exports \(Control\) Regulations No. 05 of 2021 published in the Gazette Extraordinary No. 2224/43 dated 23 April 2021](#)
16. [Imports and Exports \(Control\) Regulations No. 06 of 2021 published in the Gazette Extraordinary No. 2224/44 dated 23 April 2021](#)
17. [Imports and Exports \(Control\) Regulations No. 07 of 2021 published in the Gazette Extraordinary No. 2226/48 dated 06 May 2021](#)
18. [Imports and Exports \(Control\) Regulations No. 08 of 2021 published in the Gazette Extraordinary No. 2231/16 dated 11 June 2021](#)
19. [Imports and Exports \(Control\) Regulations No. 09 of 2021 published in the Gazette Extraordinary No. 2231/17 dated 11 June 2021](#)
20. [Imports and Exports \(Control\) Regulations No. 10 of 2021 published in the Gazette Extraordinary No. 2231/18 dated 11 June 2021](#)
21. [Imports and Exports \(Control\) Regulations No. 12 of 2021 published in the Gazette Extraordinary No. 2247/12 dated 29 September 2021](#)
22. [Imports and Exports \(Control\) Regulations No. 13 of 2021 published in the Gazette Extraordinary No. 2249/10 dated 11 October 2021](#)
23. [Imports and Exports \(Control\) Regulations No. 14 of 2021 published in the Gazette Extraordinary No. 2252/30 dated 03 November 2021](#)
24. [Imports and Exports \(Control\) Regulations No. 15 of 2021 published in the Gazette Extraordinary No. 2256/23 dated 30 November 2021](#)
25. [Imports and Exports \(Control\) Regulations No. 01 of 2022 published in the Gazette Extraordinary No. 2262/16 dated 11 January 2022](#)
26. [Imports and Exports \(Control\) Regulations No. 02 of 2022 published in the Gazette Extraordinary No. 2262/17 dated 11 January 2022](#)
27. [Imports and Exports \(Control\) Regulations No. 03 of 2022 published in the Gazette Extraordinary No. 2262/18 dated 11 January 2022](#)
28. [Imports and Exports \(Control\) Regulations No. 4 of 2022 published in the Gazette Extraordinary No. 2262/34 dated 13 January 2022](#)
29. [Imports and Exports \(Control\) Regulations No. 5 of 2022 published in the Gazette Extraordinary No. 2270/18 dated 09 March 2022](#)

Annexure 2

The table below provides an overview of Import Restrictions seen across regulations imposed since April 2020:

Table 05: Summary of Import Restrictions at HS 8-digit level

Gazette Number and Date	Number of HS Codes in TS	Number of HS Codes in C - 90 days	Number of HS Codes in C -180 days	Changes in HS Codes in ICL	Changes in HS Codes in B
No. 2171/05 of 16 April 2020	749	633	N/A	N/A	N/A
No. 2176/19 of 22 May 2020	1076	734	Given under broad classifications - IT equipment, communication equipment, cement, sugar, and palm oil	Added - 1 Removed - 5 Suspended ³ - 418	6
No. 2182/10 of 30 June 2020	1079 ⁴	767 ⁵	117	Added ⁶ - 33 Removed -10 Suspended ⁷ - 27	Removed - 4 Added - 2
No. 2184/21 of 16 July 2020	829	796	132	N/A	N/A
No. 2189/04 of 18 August 2020	N/A	N/A	N/A	Added - 40 ⁸ Suspended indefinitely- 451	Removed - 2 Added - 7
No. 2193/9 of 15 September 2020	594 ⁹	1013 ¹⁰	131 ¹¹	N/A	N/A

³ Suspension was valid till 17th August

⁴ Removed -19 from May and added -22 to May Gazette

⁵ Removed -18 from May and added -51 to May Gazette

⁶ 4 items out of 33 were imposed with an Import Control License Fee as given below

1. Salt- 0.2% of CIF value
2. Face mask- 0.2% of CIF value
3. Grain sorghum- 0.3% of CIF value
4. Saws- 0.4% of CIF value

⁷ Suspension was valid till 17th August 2020

⁸ The Import Control License Fee introduced in June continued

⁹ Removed – 16 from the July Gazette and 219 Transfers to C-90 days

¹⁰ Added – 219 (this was a transfer from the TS schedule of July to C-90 days). Removed -2 from the July Gazette

¹¹ Removed -1 from the July Gazette

No. 2198/2 of 19 October 2020	524 ¹²	1087 ¹³	130 ¹⁴	N/A	N/A
No. 2199/20 of 29 October 2020	N/A	N/A	N/A	Added - 9 ¹⁵	N/A
No. 2206/05 of 14 December 2020	N/A	N/A	N/A	Added - 251 ¹⁶ Removed -1	N/A
No. 2207/15 of 24 December 2020	503 ¹⁷	1036 ¹⁸	125 ¹⁹	N/A	N/A
No. 2209/18 of 05 January 2021	508 ²⁰	1031 ²¹	125	N/A	N/A
No. 2214/56 of 11 February 2021	505 ²²	1034 ²³	130 ²⁴	Removed - 3	N/A
No. 2222/31 of 06 April	N/A	N/A	128 ²⁵	Added - 3 ²⁶	Added - 3
No. 2224/43 of 23 April 2021	N/A	N/A	N/A	Added - 8	N/A
No. 2224/44 of 23 April 2021	512 ²⁷	N/A	N/A	N/A	N/A
No. 2226/48 of 06 May 2021	N/A	N/A	N/A	Added - 21	Added - 16
No. 2231/16 of 11 June 2021	N/A	N/A	N/A	Added - 5	N/A

¹² 70 transferred to C-90 days

¹³ 70 transferred to C-90 days and 4 more items added with description changes

¹⁴ Removed one HS code

¹⁵ An Import Control License Fee was also imposed on Sugar items of 0.4% of CIF value

¹⁶ An Import Control License Fee was also imposed as given below

1. Apparels and Fabrics - 1.0% of CIF value
2. Fishing vessels and Yachts - 10.0% of CIF value

¹⁷ 4 deleted from TS, 18 transferred from TS to C-90 and 1 transferred from C to TS

¹⁸ 18 transferred from TS to C, 95 new additions, 1 transfer from C to TS and 163 removals

¹⁹ 6 new additions and 1 removal

²⁰ 5 transferred from C-90 days to TS,

²¹ 5 transferred from C-90 days to TS

²² 5 transferred from TS to C-180days and 2 new additions

²³ 3 transfers from ICL to C-90 days

²⁴ 5 transferred from TS to C-180days

²⁵ Removed - 2

²⁶ Palm oil - 0.4% of CIF value

²⁷ Added 7

				Removed -1	
No. 2231/17 of 11 June 2021 ²⁸	N/A	N/A	N/A	N/A	N/A
No. 2231/18 of 11 June 2021	442 ²⁹	N/A	N/A	N/A	N/A
No. 2247/12 of 30 September 2021	N/A	N/A	N/A	Removed - 2	N/A
No. 2252/30 of 03 November 2021	439 ³⁰	N/A	N/A	N/A	N/A
No. 2256/23 of 29 November 2021	N/A	N/A	N/A	Added - 1	Added - 1
No. 2262/17 of 11 January 2022	N/A	N/A	N/A	Added - 7 Removed - 5	N/A
No. 2262/18 of 11 January 2022	438 ³¹	N/A	N/A	N/A	N/A
No. 2262/34 of 13 January 2022	N/A	N/A	N/A	Removed - 3	N/A
No. 2270/18 of 10 March 2022	N/A	N/A	N/A	Added - 367	N/A

Note: the products mentioned above are calculated based on the products specified in each Gazette.
N/A (Not Applicable) - Gazette did not cover this schedule

Past briefs can be accessed through [Trade Watch](#). This is compiled by the Ceylon Chamber of Commerce (CCC) and the USAID Partnership for Accelerating Results in Trade, National Expenditure, and Revenue (PARTNER) Activity.

²⁸ This Gazette did not relate to import controls but rather required the recommendation of the NMRA to export Oxygen and respiratory apparatuses

²⁹ Repealed July 2020 schedules and added 8 and removed 78 to TS (when compared to July 2020)

³⁰ Removed - 3

³¹ Removed – 3 and added - 2

For further details, /clarifications



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