



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

INTRODUCTION

This is the 13th brief in a series that presents an analysis of the amendments to the regulations of the Imports and Exports (Control) Act. These briefs have been prepared since April 2020¹ with an aim to provide clarity and awareness of the changes to the Import and Export Regulations.

This brief analyses the Gazette issued on November 23rd, 2022 (refer below):

• Imports and Exports (Control) Regulations No. 21 of 2022 published in the Gazette Extraordinary No. 2307/12 dated 23 November 2022

Previous published briefs can be accessed through <u>Trade Watch</u>. This is compiled by the Ceylon Chamber of Commerce (CCC) with the support of the United States Agency for International Development (USAID) Partnership for Accelerating Results in Trade, National Expenditure, and Revenue (PARTNER) Activity.

KEY TAKEAWAYS

- This Gazette removed the Temporary Suspension (TS) of 65 items in the Gazette issued in August 2022 (No. 2296/30). A further, 15 items in TS were allowed to import under prior approval.
- A total of 2650 items as of November 23rd, 2022 are under TS, Import Control License (ICL), Suspended ICL (SL), and Banned restrictions placed during the period from November 2017 to November 2022. Most restrictions are in the Transportation sector (24%), Chemical and Allied industries (18%), and Textile (17%).

KEY CHANGES OBSERVED

Gazette removed Temporary Suspension (TS) of 65 items that were placed in the Gazette issued on August 2022 (No. 2296/30). The removal of TS was mostly observed in stone/glass (23%) items, miscellaneous items (18%) and, machinery (15%).

These items include seats, name plates, sports equipment, freezers, antennas, parts of washing machines and air conditioners, glass beads, refractory bricks, brake linings and pads, and articles of graphite.

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¹ Summary of these regulations can be accessed in Annexure 2 and past briefs can be accessed through <u>Trade Watch</u>.

Goods specified in this list arrived at any port of Sri Lanka during August 24th and November 22nd, 2022 were authorized to be released from Customs.

Table 01: Summary of Products under TS Removal

HS Chapter Range	Product Description	TS Removal	Share
01-05	Animal and Animal Products	0	0%
06-15	Vegetable Products	0	0%
16-24	Food Stuff	0	0%
25-27	Mineral Products		2%
28-38	Chemical and Allied industries	0	0%
39-40	Plastics/Rubbers		2%
41-43	Raw Hides, Skins, Leather, and Furs	2	3%
44-49	Wood and Wood Products	7	11%
50-63	Textiles		2%
64-67	Footwear/Headgear	5	8%
68-71	Stone/Glass	15	23%
72-83	Metals	2	3%
84-85	Machinery/Electrical	10	15%
86-89	Transportation	9	14%
90-97	Miscellaneous	12	18%
	Total	65	100%

A further 15 items in the chemical and allied industries under the TS scheduled were allowed to import under prior approval of the Controller General of Imports and Exports, issued on recommendation;

- Chief Executive Officer of the National Medicine Regulatory Authority (NMRA) for the purpose of use as prescribed medicine or
- Director General of the Sri Lanka Tourism Development Authority for the purpose of registered personal care / beauty service providers.

These items included perfumes, cosmetics, shampoos, deodorants and oral care items.

OVERVIEW OF THE SECTOR IMPLICATIONS

Observing the overall restrictions (TS, ICL, SL and Banned) in sectors placed during the period from November 2017 to November 2022, most restrictions are in the Transportation sector (24%), Chemical and Allied industries (18%) and, Textile (17%). Please note 15 items in the chemical and allied industries were granted leniency subject to prior approvals as mentioned above.

Table 02: Summary of Products (at HS 8-digit level) under Import Restrictions

HS Chapte r Range	Product Description	Temporary Suspension (TS)	Import Control License (ICL)	Suspend ed ICL (SL)	Banne d (B)	Total	Share
01-05	Animal and Animal Products	10	75	0	I	86	3%
06-15	Vegetable Products	75	38	50	3	166	6%
16-24	Food Stuff	24	41	I	0	66	2%
25-27	Mineral Products	10	56	0	3	69	3%
28-38	Chemical and Allied industries	26	411	I	36	474	18%
39-40	Plastics/Rubbers	19	10	0	5	34	1%
41-43	Raw Hides, Skins, Leather, and Furs	9	I	0	0	10	0%
44-49	Wood and Wood Products	82	4	0	0	86	3%
50-63	Textiles	206	242	6	0	454	17%
64-67	Footwear/Headgea r	20	4	0	0	24	1%
68-7 I	Stone/Glass	77	15	2	0	94	4%
72-83	Metals	66	30	0	0	96	4%
84-85	Machinery/Electrica	121	27	38	I	187	7%
86-89	Transportation	290	36	322	0	648	24%
90-97	Miscellaneous	99	23	34	0	156	6%
Total		1134	1013	454	49	2650	100%

Source: EIU calculations based on Imports and Exports Control Department Data

Annexure I

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. <u>Imports and Exports (Control) Regulations No. 02 of 2020 published in the Gazette</u> Extraordinary No. 2176/19 dated 22 May 2020
- 3. <u>Imports and Exports 6 (Control) Regulations No. 03 of 2020 published in the Gazette Extraordinary No. 2182/10 dated 30 June 2020</u>
- 4. <u>Imports and Exports (Control) Regulations No. 04 of 2020 published in the Gazette</u> Extraordinary No. 2184/21 dated 16 July 2020
- 5. <u>Imports and Exports (Control) Regulations No. 05 of 2020 published in the Gazette</u> Extraordinary No. 2189/04 dated 18 August 2020
- 6. <u>Imports and Exports (Control) Regulations No. 06 of 2020 published in the Gazette Extraordinary No. 2189/05 dated 18 August 2020</u>
- 7. <u>Imports and Exports (Control) Regulations No. 07 of 2020 published in the Gazette Extraordinary No. 2193/9 dated 15 September 2020</u>
- 8. <u>Imports and Exports (Control) Regulations No. 08 of 2020 published in the Gazette Extraordinary No. 2198/2 dated 19 October 2020</u>
- 9. <u>Imports and Exports (Control) Regulations No. 09 of 2020 published in the Gazette Extraordinary No. 2199/20 dated 29 October 2020</u>

- 10. <u>Imports and Exports (Control) Regulations No. 10 of 2020 published in the Gazette Extraordinary No. 2206/05 dated14 December 2020</u>
- 11. <u>Imports and Exports (Control) Regulations No. 11 of 2020 published in the Gazette Extraordinary No. 2207/15 dated 24 December 2020</u>
- 12. <u>Imports and Exports (Control) Regulations No. 1 of 2021 published in the Gazette Extraordinary No. 2209/18 dated 05 January 2021</u>
- 13. <u>Imports and Exports (Control) Regulations No. 3 of 2021 published in the Gazette Extraordinary No. 2214/56 dated 11 February 2021</u>
- 14. <u>Imports and Exports (Control) Regulations No. 04 of 2021 published in the Gazette Extraordinary No. 2222/31 dated 06 April 2021</u>
- 15. <u>Imports and Exports (Control) Regulations No. 05 of 2021 published in the Gazette Extraordinary No. 2224/43 dated 23 April 2021</u>
- 16. <u>Imports and Exports (Control) Regulations No. 06 of 2021 published in the Gazette Extraordinary No. 2224/44 dated 23 April 2021</u>
- 17. <u>Imports and Exports (Control) Regulations No. 07 of 2021 published in the Gazette Extraordinary No. 2226/48 dated 06 May 2021</u>
- 18. <u>Imports and Exports (Control) Regulations No. 08 of 2021 published in the Gazette Extraordinary No. 2231/16 dated 11 June 2021</u>
- 19. <u>Imports and Exports (Control) Regulations No. 09 of 2021 published in the Gazette Extraordinary No. 2231/17 dated 11 June 2021</u>
- 20. <u>Imports and Exports (Control) Regulations No. 10 of 2021 published in the Gazette Extraordinary No. 2231/18 dated 11 June 2021</u>
- 21. <u>Imports and Exports (Control) Regulations No. 12 of 2021 published in the Gazette Extraordinary No. 2247/12 dated 29 September 2021</u>
- 22. <u>Imports and Exports (Control) Regulations No. 13 of 2021 published in the Gazette Extraordinary No. 2249/10 dated 11 October 2021</u>
- 23. <u>Imports and Exports (Control) Regulations No. 14 of 2021 published in the Gazette Extraordinary No. 2252/30 dated 03 November 2021</u>
- 24. <u>Imports and Exports (Control) Regulations No. 15 of 2021 published in the Gazette Extraordinary No. 2256/23dated 30 November 2021</u>
- 25. <u>Imports and Exports (Control) Regulations No. 01 of 2022 published in the Gazette Extraordinary No. 2262/16 dated 11 January 2022</u>
- 26. <u>Imports and Exports (Control) Regulations No. 02 of 2022 published in the Gazette Extraordinary No. 2262/17 dated 11 January 2022</u>
- 27. <u>Imports and Exports (Control) Regulations No. 03 of 2022 published in the Gazette Extraordinary No. 2262/18 dated 11 January 2022</u>
- 28. <u>Imports and Exports (Control) Regulations No. 4 of 2022 published in the Gazette Extraordinary No. 2262/34 dated 13 January 2022</u>
- 29. <u>Imports and Exports (Control) Regulations No. 5 of 2022 published in the Gazette Extraordinary No. 2270/18 dated 09 March 2022</u>
- 30. <u>Imports and Exports (Control) Regulations No. 7 of 2022 published in the Gazette Extraordinary No. 2278/21 dated 06 May 2022</u>
- 31. <u>Imports and Exports (Control) Regulations No. 8 of 2022 published in the Gazette Extraordinary No. 2282/21 dated 31 May 2022</u>
- 32. <u>Imports and Exports (Control) Regulations No. 9 of 2022 published in the Gazette Extraordinary No. 2282/22 dated 31 May 2022</u>
- 33. <u>Imports and Exports (Control) Regulations No. 10 of 2022 published in the Gazette Extraordinary No. 2285/19 dated 24 June 2022</u>

- 34. <u>Imports and Exports (Control) Regulations No. 11 of 2022 published in the Gazette Extraordinary No. 2291/44 dated 05 August 2022</u>
- 35. <u>Imports and Exports (Control) Regulations No. 12 of 2022 published in the Gazette Extraordinary No. 2294/29 dated 23 August 2022</u>
- 36. <u>Imports and Exports (Control) Regulations No. 13 of 2022 published in the Gazette</u> Extraordinary No. 2294/30 dated 23 August 2022
- 37. <u>Imports and Exports (Control) Regulations No. 14 of 2022 published in the Gazette Extraordinary No. 2296/30 dated 09 September 2022</u>
- 38. <u>Imports and Exports (Control) Regulations No. 18 of 2022 published in the Gazette</u> Extraordinary No. 2302/31 dated 21 October 2022
- 39. Imports and Exports (Control) Regulations No. 20 of 2022 published in the Gazette Extraordinary No. 2304/05 dated 31 October 2022
- 40. <u>Imports and Exports (Control) Regulations No. 21 of 2022 published in the Gazette Extraordinary No. 2307/12 dated 23 November 2022</u>

Annexure 2

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

Table 03: 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 - I Removed - 5 Suspended ² - 418	6
No. 2182/10 of	1079³	767⁴	117	Added ⁵ - 33 Removed -10 Suspended ⁶ - 27	Removed - 4 Added - 2

² Suspension was valid till 17th August

³ Removed -19 from May and added -22 to May Gazette

⁴ Removed -18 from May and added -51 to May Gazette

⁵ 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

⁶ Suspension was valid till 17th August 2020

30 June					
2020					
2020					
No.	829	796	132	N/A	N/A
2184/21 of					
I 6 July					
2020					
No.	N/A	N/A	N/A	Added - 40 ⁷	Removed -
2189/04 of				Suspended	2
18 August				indefinitely- 45 l	Added - 7
2020					
No. 2193/9	594 ⁸	10139	13110	N/A	N/A
of I5					
September					
2020					
No. 2198/2	524 ¹¹	108712	13013	N/A	N/A
of 19					
October					
2020					
No.	N/A	N/A	N/A	Added - 9 ¹⁴	N/A
2199/20 of					
29 October					
2020					
No.	N/A	N/A	N/A	Added - 251 15	N/A
2206/05 of				Removed - I	
14					
December					
2020					
No.	50316	103617	125 ¹⁸	N/A	N/A
2207/15 of					
24					
December					
2020					
No.	50819	103120	125	N/A	N/A
2209/18 of					

⁷ The Import Control License Fee introduced in June continued

- 1. Apparels and Fabrics 1.0% of CIF value
- 2. Fishing vessels and Yachts 10.0% of CIF value
- 16 4 deleted from TS, 18 transferred from TS to C-90 and 1 transferred from C to TS
- 17 18 transferred from TS to C, 95 new additions, 1 transfer from C to TS and 163 removals
- 18 6 new additions and 1 removal
- 19 5 transferred from C-90 days to TS,
- 20 5 transferred from C-90 days to TS

⁸ Removed – 16 from the July Gazette and 219 Transfers to C-90 days

⁹ Added – 219 (this was a transfer from the TS schedule of July to C-90 days). Removed -2 from the July Gazette

¹⁰ Removed -1 from the July Gazette

¹¹ 70 transferred to C-90 days

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

¹³ Removed one HS code

¹⁴ An Import Control License Fee was also imposed on Sugar items of 0.4% of CIF value

¹⁵ An Import Control License Fee was also imposed as given below

05 January 2021					
No. 2214/56 of 11 February 2021	50521	1034 ²²	130 ²³	Removed - 3	N/A
No. 2222/31 of 06 April	N/A	N/A	128 ²⁴	Added - 3 ²⁵	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	51226	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 Removed - I	N/A
No. 2231/17 of 11 June 2021 ²⁷	N/A	N/A	N/A	N/A	N/A
No. 2231/18 of 11 June 2021	442 ²⁸	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	439 ²⁹	N/A	N/A	N/A	N/A

 $^{^{21}}$ 5 transferred from TS to C-180days and 2 new additions 22 3 transfers from ICL to C-90 days

²³ 5 transferred from TS to C-180days

²⁴ Removed - 2

²⁵ Palm oil - 0.4% of CIF value

²⁶ Added 7

²⁷ This Gazette did not relate to import controls but rather required the recommendation of the NMRA to export Oxygen and respiratory apparatuses

²⁸ Repealed July 2020 schedules and added 8 and removed 78 to TS (when compared to July 2020)

²⁹ Removed - 3

03					
November					
2021					
No.	N/A	N/A	N/A	Added - I	Added - I
2256/23 of					
29					
November					
2021					
No.	N/A	N/A	N/A	Added - 7	N/A
2262/17 of				Removed - 5	
II January					
2022					
No.	438 ³⁰	N/A	N/A	N/A	N/A
2262/18 of					
II January					
2022					
No.	N/A	N/A	N/A	Removed - 3	N/A
2262/34 of					
13 January					
2022					
No.	N/A	N/A	N/A	Added - 367	N/A
2270/18 of					
10 March					
2022					
No.	N/A	N/A	N/A	Removed-	N/A
2282/21 of				36731	
31 May					
2022					
No.	N/A	N/A	N/A	Added - I	Removed -
2291/44 of					I
05 August					
2022					
No.	Removed	N/A	N/A	Added - 2	N/A
2294/29 of	- 2				
23 August					
2022					
No.	Added –	N/A	N/A	N/A	N/A
2294/30 of	1472				
23 August					
2022					
No.	Removed	N/A	N/A	Suspended - I	N/A
2296/30 of	– 708 and				
09	Added -				
September	4				
2022	B 1 / A	N 1/A	> 1/A	D	h 1/A
No.	N/A	N/A	N/A	Removed - 4	N/A
2304/05 of					

⁻

³⁰ Removed – 3 and added - 2

³¹ Rescinded Gazette No. 2270/18 of 10 March 2022

31 October 2022					
No.	Removed	N/A	N/A	N/A	N/A
2307/12 of	– 65 and				
23	further				
November	15 under				
2022	prior				
	approval				

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

For further details /clarifications







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