

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

### **INTRODUCTION**

This is the 8th brief in a series that presents an analysis of the amendments to the regulations of the Imports and Exports (Control) Act (since April 2020<sup>1</sup>). These brief analyses of three Gazettes that came into effect on 12<sup>th</sup> January 2022 and 13<sup>th</sup> January 2022 as given below and are developed to provide clarity and awareness on the changes to the Import and Export (Control) Regulations.

- a) [Imports and Exports \(Control\) Regulations No. 02 of 2022 published in the Gazette Extraordinary No. 2262/17 dated 11 January 2022](#)
- b) [Imports and Exports \(Control\) Regulations No. 03 of 2022 published in the Gazette Extraordinary No. 2262/18 dated 11 January 2022](#)
- c) [Imports and Exports \(Control\) Regulations No. 4 of 2022 published in the Gazette Extraordinary No. 2262/34 dated 13 January 2022](#)

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.

### **KEY TAKEAWAYS**

- The 2 Gazettes dated 11<sup>th</sup> January are applicable to the importation of goods with a date of Bill of Lading/Airway Bill on or after 12<sup>th</sup> January 2022. The Gazette dated 13<sup>th</sup> January is applicable for goods with a date of Bill of Lading/Airway Bill on or after 13<sup>th</sup> January 2022.
- The Gazettes dated 11<sup>th</sup> January 2022 looked at continuing the import restrictions for the newly introduced HS codes. While the Gazette dated 13<sup>th</sup> January 2022 was on removing Import Control Licensing (ICL) requirement on animal breeding products.
- Observing the overall restrictions (in the form of Temporary Suspension, ICL and Banned) in the sectors placed over the years, most restrictions are in the transport sector accounting for 31% of import restrictions followed by Chemical and Allied industries (24%) and Textiles (13%).
- Another Gazette was released on 11<sup>th</sup> January 2022, cited as Imports and Exports (Standardization and Quality Control) Regulations No. 01 of 2022, which continued its SLS requirement for Brown Sugar and White Sugar as per new HS codes introduced and brought Liquefied Petroleum Gas (LPG gas) and accessories under the same standard inspection scheme.

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<sup>1</sup> Summary of these regulations can be accessed in Annexure 2

## KEY CHANGES OBSERVED

### Rice Imports

In November 2021, a gazette was issued removing the Temporary Suspension (TS) from Kekulu, Nadu Rice, and Samba Rice. Following this, another gazette was issued on 11<sup>th</sup> January 2022, removing long-grain rice from the TS list.

### Continuing Import Restrictions on New HS Codes

#### Fish Fillet

The tuna fish fillets saw an introduction of new HS codes at the country level of HS 8-digit level. These new HS codes (HS 03048710 and 03048790) came under the TS restrictions in order to continue with the temporary suspension of imports in fish fillets while removing skipjack tuna from the TS list.

#### Sugar

The introduction of new HS codes to Sugar, saw them coming under the Import Control Licensing (ICL) requirement to continue to ICL requirements on sugar. 5 HS codes were removed from the ICL list. The below table provides the HS codes and the descriptions that came under these changes.

Table 01: HS codes that were added and removed from the ICL list

New HS codes introduced and added to ICL		HS codes removed from ICL	
HS Code	Description	HS Code	Description
17011210	Having a polarimeter reading of more than or equal to 990 and less than 99.50(200< ICUMSA value	17011200	Beet sugar
17011290	Other, having polarimeter reading less than 990 (ICUMSA value >1500)	17011400	Other cane sugar
17011410	Having a polarimeter reading of more than or equal to 990 and less than 99.50(200< ICUMSA value	17019110	Sugar
17011490	Other, having polarimeter reading less than 990 (ICUMSA value >1500)	17019190	Other
17019130	Having a polarimeter reading of more than or equal to 990 and less than 99.50 (200)	17019930	Other Sugar
17019190	Having polarimeter reading less than 990 (ICUMSA value >1500)		

### Animal Breeding Products and Shells of Marine Species

Breeding requirements related to bovine, swine, and goat were removed from the ICL requirement with effect from 13<sup>th</sup> January 2022. However, Customs will only clear the goods upon the submission of a valid Animal Quarantine Certificate issued by the Department of Animal Production and Health.

Shells of molluscs (operculum of *chicoreas ramosus* - HS 0511.99.70) was added to the ICL list on 11<sup>th</sup> January 2022. Therefore, import control licenses will be required to import these for a Bill of Lading/ Air Waybill on or after 12<sup>th</sup> January 2022.

## OVERVIEW OF THE SECTOR IMPLICATIONS

The Food items (particularly sugar) had the largest number of amendments to the import restrictions at the HS 8-digit level for the 3 Gazettes considered in this brief. 6 HS codes at HS 8-digit level were added to ICL while 5 were removed. Animal and Animal products had 3 HS codes at the HS 8-digit level added to import restrictions (1 - ICL and 2 – TS). While 4 Animal products were removed from import controls (3 - ICL and 1- TS).

Observing the overall restrictions (TS, ICL, and B) in sectors placed during the period from April 2020 to January 2022, most restrictions are in the transport sector accounting for 31% of import restrictions followed by Chemical and Allied industries (24%) and Textiles (13%).

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

HS Chapter Range	Product Description	Temporary Suspension (TS)	Import Control License (ICL)	Suspended ICL	Banned (B)	Total	Share %
01-05	Animal and Animal Products	7	75	0	1	83	4.23
06-15	Vegetable Products	70	38	50	3	161	8.21
16-24	Food Stuff	8	42	0	0	50	2.55
25-27	Mineral Products	6	56	0	3	65	3.31
28-38	Chemical and Allied industries	7	416	1	37	461	23.50
39-40	Plastics/Rubbers	19	10	0	5	34	1.73
41-43	Raw Hides, Skins, Leather, and Furs	0	1	0	0	1	0.05
44-49	Wood and Wood Products	8	4	0	0	12	0.61
50-63	Textiles	0	242	6	0	248	12.64
64-67	Footwear/Headgear	3	4	0	0	7	0.36
68-71	Stone/Glass	32	15	2	0	49	2.50
72-83	Metals	0	30	0	0	30	1.53
84-85	Machinery/Electrical	0	27	38	0	65	3.31
86-89	Transportation	246	38	323	0	607	30.94
90-97	Miscellaneous	32	23	34	0	89	4.54
Total		438	1021	454	49	1962	100.00

Source: EIU calculations based on Customs 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. [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](#)

## 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
<b>No. 2171/05 of 16 April 2020</b>	749	633	N/A	N/A	N/A
<b>No. 2176/19 of 22 May 2020</b>	1076	734	Given under broad classifications - IT equipment, communication equipment, cement, sugar, and palm oil	Added - 1 Removed - 5 Suspended <sup>2</sup> - 418	6
<b>No. 2182/10 of 30 June 2020</b>	1079 <sup>3</sup>	767 <sup>4</sup>	117	Added <sup>5</sup> - 33 Removed -10 Suspended <sup>6</sup> - 27	Removed - 4 Added - 2
<b>No. 2184/21 of 16 July 2020</b>	829	796	132	N/A	N/A
<b>No. 2189/04 of 18 August 2020</b>	N/A	N/A	N/A	Added - 40 <sup>7</sup> Suspended indefinitely- 451	Removed - 2 Added - 7
<b>No. 2193/9 of 15</b>	594 <sup>8</sup>	1013 <sup>9</sup>	131 <sup>10</sup>	N/A	N/A

<sup>2</sup> Suspension was valid till 17th August

<sup>3</sup> Removed -19 from May and added -22 to May Gazette

<sup>4</sup> Removed -18 from May and added -51 to May Gazette

<sup>5</sup> 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

<sup>6</sup> Suspension was valid till 17th August 2020

<sup>7</sup> The Import Control License Fee introduced in June continued

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

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

<sup>10</sup> Removed -1 from the July Gazette

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

<sup>11</sup> 70 transferred to C-90 days

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

<sup>13</sup> Removed one HS code

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

<sup>15</sup> 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

<sup>16</sup> 4 deleted from TS, 18 transferred from TS to C-90 and 1 transferred from C to TS

<sup>17</sup> 18 transferred from TS to C, 95 new additions, 1 transfer from C to TS and 163 removals

<sup>18</sup> 6 new additions and 1 removal

<sup>19</sup> 5 transferred from C-90 days to TS,

<sup>20</sup> 5 transferred from C-90 days to TS

<sup>21</sup> 5 transferred from TS to C-180days and 2 new additions

<sup>22</sup> 3 transfers from ICL to C-90 days

<sup>23</sup> 5 transferred from TS to C-180days

<sup>24</sup> Removed - 2

<sup>25</sup> Palm oil - 0.4% of CIF value

<b>No. 2224/44 of 23 April 2021</b>	512 <sup>26</sup>	N/A	N/A	N/A	N/A
<b>No. 2226/48 of 06 May 2021</b>	N/A	N/A	N/A	Added - 21	Added - 16
<b>No. 2231/16 of 11 June 2021</b>	N/A	N/A	N/A	Added - 5 Removed - 1	N/A
<b>No. 2231/17 of 11 June 2021<sup>27</sup></b>	N/A	N/A	N/A	N/A	N/A
<b>No. 2231/18 of 11 June 2021</b>	442 <sup>28</sup>	N/A	N/A	N/A	N/A
<b>No. 2247/12 of 30 September 2021</b>	N/A	N/A	N/A	Removed - 2	N/A
<b>No. 2252/30 of 03 November 2021</b>	439 <sup>29</sup>	N/A	N/A	N/A	N/A
<b>No. 2256/23 of 29 November 2021</b>	N/A	N/A	N/A	Added - 1	Added - 1
<b>No. 2262/17 of 11 January 2022</b>	N/A	N/A	N/A	Added - 7 Removed - 5	N/A
<b>No. 2262/18 of 11 January 2022</b>	438 <sup>30</sup>	N/A	N/A	N/A	N/A
<b>No. 2262/34 of 13 January 2022</b>	N/A	N/A	N/A	Removed - 3	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

<sup>26</sup> Added 7

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

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

<sup>29</sup> Removed - 3

<sup>30</sup> Removed – 3 and added - 2

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For further details, /clarifications



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