

BRIEF ON THE CHANGES TO THE IMPORTS AND EXPORTS (CONTROL) ACT NO. I OF 1969 IN JULY 2023

INTRODUCTION

This is the 16th brief in a series that analyzes the amendments to the Imports and Exports (Control) Act regulations. These briefs have been prepared and published since April 2020¹ to provide clarity and awareness of the changes to the Import and Export Regulations. This brief analyses the Gazette dated July 20th, 2023.

- [Imports and Exports \(Control\) Regulations No. 11 of 2023 published in the Gazette Extraordinary No. 2341/38 dated 20 July 2023](#)

Previously published briefs can be accessed through [Trade Watch](#). 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

- Gazette removed the Temporary Suspension of 327 HS codes. Most of these restrictions were removed from stone and glass products, textiles, vegetables, and miscellaneous products such as furniture and fittings.
- A total of 2207 items as of July 20th, 2023, are under TS, Import Control License (ICL), Suspended ICL (SL), and Banned (B) restrictions. This is about 28% of the total tariff lines. Most restrictions are in the Transportation sector (33%), Chemical and Allied industries (21%), and Textile (18%).

KEY CHANGES OBSERVED

The Gazette amended Gazette Extraordinary No. 2312/78 dated January 01st, 2023, which was further amended in Gazette Extraordinary No. 2335/26 dated June 09th, 2023. This July 2023 Gazette removed 124 HS codes from List A and 203 HS codes from List B² (as shown in Table 01).

Table 01: Summary of Gazette Items

¹ Summary of these regulations can be accessed in Annexure 2 and past briefs can be accessed through [Trade Watch](#).

² List A provided exemptions to the import control if the final product had a local value addition of at least 20%, while list B provided exemptions for local value addition of at least 35%.

HS Chapter Range	Product Description	Temporary Suspension (TS) List A	Temporary Suspension (TS) List B
01-05	Animal and Animal Products	0	1
06-15	Vegetable Products	45	2
16-24	Food Stuff	7	12
25-27	Mineral Products	6	4
28-38	Chemical and Allied industries	0	15
39-40	Plastics/Rubbers	6	0
41-43	Raw Hides, Skins, Leather, and Furs	0	7
44-49	Wood and Wood Products	0	4
50-63	Textiles	0	46
64-67	Footwear/Headgear	3	16
68-71	Stone/Glass	24	21
72-83	Metals	0	9
84-85	Machinery/Electrical	0	13
86-89	Transportation	2	26
90-97	Miscellaneous	31	27
Total		124	203

The Gazette allowed Customs to release cargo related to the above products that arrived at the Port/Airport of Sri Lanka from April 16th, 2020, to July 9th, 2023, violating the import control rules subject to payment of an Additional Fee of 15% of the CIF Value of such goods to the Controller General of Import and Export Control.

The Gazette made further changes to regulation no. 8 (h)(i) of Gazette Extraordinary No. 2312/78 dated January 01st, 2023 applying the regulation for tiles under HS heading 69.07. A comparison of this regulation change from the January 2023 Gazette to this latest Gazette is given below.

Table 02: Summary of Comparison of Regulation No.8 (h)(i)

Key Changes	January 2023 Gazette	July 2023 Gazette
HS Code	HS Headings of 25.15, 25.16, 68.02 68.10, 69.05, 69.07 and 69.14	HS Heading of 69.07

Eligibility	Direct usage of any approved condominium or approved mix development projects or approved hotel projects or Government Projects (Consignee), which are not coming under the purview of the BOI, and under construction / renovation at the stage of laying of tiles or stones for completion of such condominium or mix development or hotel projects or Government projects.	Direct usage of any approved condominium or approved mix development projects or approved hotel projects or Government Projects (Consignee), which are not coming under the purview of the BOI, and under construction / renovation at the stage of laying of tiles for completion of such condominium or mix development or hotel projects or Government projects.
On the recommendation of the Secretary to the Treasury and approval of the Minister in charge of the subject of Finance, case by case basis.	Yes	Yes
Credit Facility	180 days credit facility	None
Subject to the limit of quantities as certified in the bill of quantities (BOQ)	Yes	Yes
Under the Letter of Credit or Document Against Acceptance payment terms	Yes	Yes

The Gazette made further changes to regulation no. 8 (m) of Gazette Extraordinary No. 2312/78 dated January 01st, 2023, and Gazette Extraordinary No. 2320/47 dated February 22nd, 2023 applying the regulation to HS Codes of 3305.10, 3305.20, and 3305.90. Key changes are given below.

Table 03: Summary of Comparison of Regulation No.8 (m)

Key Changes	January 2023 Gazette	February 2023 Gazette	July 2023 Gazette
HS Codes	3303.00.10, 3303.00.22, 3303.00.29, 3304.10, 3304.20, 3304.30, 3304.91, 3304.99, 3305.10, 3305.20, 3305.90,	3303.00.10, 3303.00.22, 3303.00.29, 3304.10, 3304.20, 3304.30, 3304.91, 3304.99, 3305.10, 3305.20, 3305.90, 3306.10,	3305.10, 3305.20, and 3305.90

	3306.10, 3306.90, 3307.20 and 3307.49	3306.90, 3307.20 and 3307.49	
Eligibility	National Medicine Regulatory Authority (NMRA) Registration and Import License issued by the NMRA for the purpose of use as prescribed medicine / Borderline Product and, providing personal care services by any registered personal care / beauty service providers.	Any importer who has registered with the NMRA and obtained Import License from the NMRA	Any importer who has registered with the NMRA and obtained Import License from the NMRA
Prior Approval of Controller General of Import and Export Control	Yes	Yes	Yes
Other Conditions	Recommendation of Director General, Sri Lanka Tourism Development Authority for personal care / beauty service providers.	Maximum value of importation of said goods, limited to 50% of the annual average Cost Insurance Freight (CIF) value, which will be calculated based on the imported value of the said goods during the period of last five (05) years of such importer	Maximum value of importation of said goods, limited to 50% of the annual average Cost Insurance Freight (CIF) value, which will be calculated based on the imported value of the said goods during the period of last five (05) years of such importer

The Gazette also made amendments to Gazette Extraordinary No. 2326/41 dated April 6th, 2023. This provided an exemption to import of single-use plastic plates, cups, spoons, forks, knives, and other cutlery instruments, classified under the HS Code of 3924.10.90, by a registered catering service provider for the purpose of servicing passengers on-board of international airlines, subject to prior approval of the Controller General of Imports and Exports.

OVERVIEW OF THE SECTOR IMPLICATIONS

Observing the overall restrictions (TS, ICL, SL, and Banned) in sectors placed by Gazettes on import controls, most restrictions are in the Transportation sector (33%), Chemical and Allied industries (21%), and Textile (18%).

Table 04: Summary of Products under Import Restrictions

HS Chapter Range	Product Description	Temporary Suspension (TS) - A	Temporary Suspension (TS) - B	Import Control License (ICL)	Suspended ICL (SL)	Banned (B)	Total	Share
01-05	Animal and Animal Products	1	0	75	0	1	77	3%
06-15	Vegetable Products	29	2	39	52	3	125	6%
16-24	Food Stuff	1	3	42	0	0	46	2%
25-27	Mineral Products	0	0	56	0	2	58	3%
28-38	Chemical and Allied industries	7	4	421	1	36	469	21%
39-40	Plastics/Rubbers	12	0	10	0	5	27	1%
41-43	Raw Hides, Skins, Leather, and Furs	0	0	1	0	0	1	0%
44-49	Wood and Wood Products	0	10	4	0	0	14	1%
50-63	Textiles	0	149	242	6	0	397	18%
64-67	Footwear/Headgear	0	0	4	0	0	4	0%
68-71	Stone/Glass	8	4	15	4	0	31	1%
72-83	Metals	0	4	34	0	0	38	2%
84-85	Machinery/Electrical	0	55	36	38	1	130	6%
86-89	Transportation	290	24	50	364	0	728	33%
90-97	Miscellaneous	0	0	23	39	0	62	3%
Total		348	255	1052	504	48	2207	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. [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](#)
30. [Imports and Exports \(Control\) Regulations No. 7 of 2022 published in the Gazette Extraordinary No. 2278/21 dated 06 May 2022](#)
31. [Imports and Exports \(Control\) Regulations No. 8 of 2022 published in the Gazette Extraordinary No. 2282/21 dated 31 May 2022](#)
32. [Imports and Exports \(Control\) Regulations No. 9 of 2022 published in the Gazette Extraordinary No. 2282/22 dated 31 May 2022](#)
33. [Imports and Exports \(Control\) Regulations No. 10 of 2022 published in the Gazette Extraordinary No. 2285/19 dated 24 June 2022](#)
34. [Imports and Exports \(Control\) Regulations No. 11 of 2022 published in the Gazette Extraordinary No. 2291/44 dated 05 August 2022](#)
35. [Imports and Exports \(Control\) Regulations No. 12 of 2022 published in the Gazette Extraordinary No. 2294/29 dated 23 August 2022](#)
36. [Imports and Exports \(Control\) Regulations No. 13 of 2022 published in the Gazette Extraordinary No. 2294/30 dated 23 August 2022](#)
37. [Imports and Exports \(Control\) Regulations No. 14 of 2022 published in the Gazette Extraordinary No. 2296/30 dated 09 September 2022](#)
38. [Imports and Exports \(Control\) Regulations No. 18 of 2022 published in the Gazette 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. [Imports and Exports \(Control\) Regulations No. 21 of 2022 published in the Gazette Extraordinary No. 2307/12 dated 23 November 2022](#)
41. [Imports and Exports \(Control\) Regulations No. 23 of 2022 published in the Gazette Extraordinary No. 2309/40 dated 09 December 2022](#)
42. [Imports and Exports \(Control\) Regulations No. 24 of 2022 published in the Gazette Extraordinary No. 2311/08 dated 19 December 2022](#)
43. [Imports and Exports \(Control\) Regulations No. 1 of 2023 published in the Gazette Extraordinary No. 2312/77 dated 01 January 2023](#)
44. [Imports and Exports \(Control\) Regulations No. 2 of 2023 published in the Gazette Extraordinary No. 2312/78 dated 01 January 2023](#)
45. [Imports and Exports \(Control\) Regulations No. 5 of 2023 published in the Gazette Extraordinary No. 2320/47 dated 22 February 2023](#)
46. [Imports and Exports \(Control\) Regulations No. 8 of 2023 published in the Gazette Extraordinary No. 2326/41 dated 06 April 2023](#)
47. [Imports and Exports \(Control\) Regulations No. 9 of 2023 published in the Gazette Extraordinary No. 2335/26 dated 09 June 2023](#)

48. [Imports and Exports \(Control\) Regulations No. 10 of 2023 published in the Gazette Extraordinary No. 2336/45 dated 14 June 2023](#)
49. [Imports and Exports \(Control\) Regulations No. 11 of 2023 published in the Gazette Extraordinary No. 2341/38 dated 20 July 2023](#)

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 - 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

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

No. 2193/9 of 15 September 2020	594 ⁹	1013 ¹⁰	131 ¹¹	N/A	N/A
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

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

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

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 Removed - 1	N/A
No. 2231/17 of 11 June 2021²⁸	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

²⁵ Removed - 2

²⁶ Palm oil - 0.4% of CIF value

²⁷ Added 7

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

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
No. 2282/21 of 31 May 2022	N/A	N/A	N/A	Removed- 367 ³²	N/A
No. 2291/44 of 05 August 2022	N/A	N/A	N/A	Added - 1	Removed - 1
No. 2294/29 of 23 August 2022	Removed - 2	N/A	N/A	Added - 2	N/A
No. 2294/30 of 23 August 2022	Added – 1472	N/A	N/A	N/A	N/A
No. 2296/30 of 09 September 2022	Removed – 708 and Added - 4	N/A	N/A	Suspended - 1	N/A
No. 2304/05 of 31 October 2022	N/A	N/A	N/A	Removed - 4	N/A
No. 2307/12 of 23 November 2022	Removed – 65 and a further 15 under prior approval	N/A	N/A	N/A	N/A

³¹ Removed – 3 and added - 2

³² Rescinded Gazette No. 2270/18 of 10 March 2022

No. 2309/40 of 09 December 2022	N/A	N/A	N/A	Suspended - 2	N/A
No. 2311/08 of 19 December 2022	Removed - 9	N/A	N/A	Removed - 1	N/A
No. 2312/77 of 01 January 2023	N/A	N/A	N/A	Added – 537 and suspended - 48	No change
No. 2312/78 of 01 January 2023	Added - 109 ³³	N/A	N/A	N/A	N/A
No. 2320/47 of 22 February 2023	Removed - 2	N/A	N/A	N/A	N/A
No. 2326/41 of 06 April 2023	N/A	N/A	N/A	N/A	Added - 3
No. 2335/26 of 09 June 2023	Added - 286	N/A	N/A	N/A	N/A
No. 2336/45 of 14 June 2023	N/A	N/A	N/A	Added - 1	N/A
No. 2341/38 of 20 July 2023	Removed - 327	N/A	N/A	N/A	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

³³ In addition to the Gazette that was repealed

For further details /clarifications



ei@chamber.lk



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