

REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES¹

Notification under Article 7.3 of the Agreement on Import Licensing Procedures

SRI LANKA

The following communication, dated 5 May 2003, has been received from the Permanent Mission of Sri Lanka.

Outline of system

1. Import licensing system is regulated by Imports and Exports (Control) Act No. 1 of 1969 (see Annex I²) and Special Import Licence regulation No. 1 of 1977 (see Annex II) establishing the list of goods subject to import licensing. The licensing system is administered by the Department of Imports and Export Control.

Purposes and coverage of licensing

2. Products which are subject to non-automatic licensing are listed in Annex III. The phrase "items that cannot be imported" used in Annex III does not imply a banning of those products. These products are permitted to be imported under a licence, as and when the country requires such importation, which is considered on a case-by-case basis.

3. The system applies to goods originating in and coming from all countries.

4. Automatic import licensing is not practised in Sri Lanka. Non-automatic import licensing is for the purpose of administering import restrictions maintained for economic, environmental, public security and public health purposes.

5. This licensing system is a statutory requirement. Authority exists to suspend the system whenever it is determined that such action is appropriate. Notice of such action is published in the Government Gazette (see Annex IV). Import licensing procedure for vehicles, drugs, chemicals and gases and miscellaneous items are set out in Annex V.

Procedures

6. For products under restriction:

¹ See document G/LIC/3, Annex, for the Questionnaire.

² Annexes I-VI referred to in this notification are available for consultation in the Secretariat (Market Access Division).

There are no products under quantitative or value base restrictions.

- I. Information relating to formalities of filing applications for licences, exceptions and derogations is published in the Government Gazette.
 - II-IV. Not applicable.
 - V. Applications for licences are processed within two days.
 - VI. Import licences are granted at least 30 days prior to the date of opening of the period of importation.
 - VII. Licence applications are considered by one administrative body, i.e. Controller of Imports and Export and under his delegated power by Secretaries, Ministry of Defence and Ministry of Industries.
 - VIII. Licences are issued in certain circumstances only on the basis of past performance. Applications are examined on receipt.
 - IX. There are no bilateral quotas or export restraint arrangements. Export permits from exporting countries are not required.
 - X. Export permits from exporting countries are not required.
 - XI. Sometimes licences are issued on condition that goods should be exported and not sold in the domestic market.
- NB Imports handled by Board of Investment of Sri Lanka are not subject to the above restrictions.
7. Where there is no quantitative limit on importation of a product or on imports from a particular country:
 - (a) Application for a licence must be made at least one week in advance of importation. Licences can be obtained within a shorter time-limit or for goods arriving at the port without a licence.
 - (b) Yes, licences can be granted immediately on request.
 - (c) There are no limitations as to the period of the year during which application for licence and/or importation may be made.
 - (d) An importer has to approach only one administrative organ, i.e. Department of Import and Export Control, in connection with an application.
 8. None. The reason for any refusal is given to the applicant in writing. In the event of refusal to issue a licence, the applicant has a right of appeal to the Minister concerned.

Eligibility of importers to apply for licence

9. All persons, firms and institutions are eligible to apply for licences. There is no system of registration. However importer has to pay 0.1 per cent of the CIF value as a licence fee. A list of published authorised importers is not maintained.

Documentational and other requirements for application for licence

10. Sample application forms are available for reference in the Secretariat. An importer is required to submit the following documents with the application:

- (i) Pro forma invoice
- (ii) Recommendation form the following authorities:
 - Western drugs – Drugs and Cosmetic Devices Authority
 - Ayurvedic drugs – Commissioner of Ayurvedic
 - Homeopathy drugs – Homeopathy Council
 - Pesticides – Registrar of Pesticides
 - Veterinary drugs – Veterinary Drugs Authority
 - Animal products – Director Animal Production and Health
 - Arms, ammunitions, explosives and radioactive materials – Ministry of Defence
 - Petroleum products – Ceylon Petroleum Cooperation
 - Used refrigerators and air conditioners – Ministry of Environment

11. Upon actual importation, an importer is required to submit the approved import licence or a copy thereof.

12. There is an administrative charge amounting to 0.1 per cent of the CIF value of the consignment.

13. There is no deposit or advance payment requirement associated with the issuance of licences.

Conditions of licensing

14. A licence is valid for six months from the date of issue. The validity can be extended more than one time if the applicant so requests. The number of extensions depends on the reasons that the importer provides.

15. There is no penalty for the non-utilisation of a licence or a portion of it.

16. Licences are not transferable between importers.

17. The following conditions are attached to the issuance of a licence:

Validity period

Certificate of country of origin

Free trade sample – should be limited to 10 per cent of the trade stock

Analysis report from the manufacturer is specially requested for Western drugs. This report should provide information on composition and ingredients, strength of packaging, date of manufacturing and expiry, side effects etc.

Other procedural requirements

18. There are no other administrative procedures apart from import licensing required prior to importation.

19. Foreign exchange is automatically provided by the banking authorities for goods to be imported. After acceptance of obligations under Article VIII of the IMF Agreement, foreign exchange for payments for import of goods and services is permitted without any restrictions. At present only a very limited number of items are under the requirement of an import licence. Foreign exchange for imports of goods and services can be obtained from any commercial bank (authorized

dealer in foreign exchange) subject to adhering to payment terms stipulated in the Gazette No. 1022/6 of 8 April 1998 and subsequent amendments thereto (see Annex VI).
