



## REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES<sup>1</sup>

### NOTIFICATION UNDER ARTICLE 7.3 OF THE AGREEMENT ON IMPORT LICENSING PROCEDURES

#### SRI LANKA

The following communication, dated 11 February 2014, is being circulated at the request of the delegation of Sri Lanka.

#### Outline of System

1. Import and Export Licensing System is regulated by the Import and Export (Control) Act No. 1 of 1969 and two subsequent amendments and regulations published under the aforesaid Act as Extra Ordinary Gazette Notifications with the objective of providing safety to economy, environment, public health and public security.

#### Purposes and Coverage of Licensing

2. Import controlled commodities are listed in the Government Gazettes (Extra Ordinary) No. 1813/14 on 05.06.2013.

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

4. Automatic import licensing is not practiced in Sri Lanka. Non-automatic import licensing is primarily for the purpose of safeguarding environmental, public security and public health interests.

5. The licensing is a statutory requirement. The Authority exists to suspend the system, whenever it is determined that such action is appropriate. Notice of such action is published through the Government Gazette notifications.

#### Procedures

6. There are no products under quantitative or value-based restrictions, except for the chemical varieties published in Schedule I of the Gazette (Extra Ordinary) No. 1821/40 on 01.08.2013.

I. Information relating to formalities of filing applications for licenses, exceptions and derogations is published in the Government Gazette.

II- IV. Not applicable.

V. Upon receipt of all necessary information/documentation, an application is usually processed within 7 days.

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

- VI. Import licenses are granted at least 30 days prior to the date of opening of the period of importation.
- VII. License applications are considered by one administrative body, namely, Import and Export Control Department.
- VIII. All requests for licenses are considered on "first-come, first served basis" subject to fulfillment of stipulated requirements.
- IX. Not applicable.
- X. Not applicable.
- XI. Licenses are sometimes issued on the condition that goods should be exported and not sold in the domestic market. This situation, however, is applicable only to imports made by companies approved by the Board of Investment of Sri Lanka as export-oriented industries.
7. Where there is no quantitative limit on importation of a product or on imports from a particular country;
- (a) Application for a license must be made at least one week in advance of importation. Licenses can be obtained within a shorter time limit or for goods arriving at the port without a license.
- (b) Licenses are issued in 7 days, provided all conditions have been satisfied and documents are complete.
- (c) There are no limitations as to the period of the year during which application for license and/or importation may be made.
- (d) In connection with an application, an importer has to approach only one administrative organ, namely, the Import and Export Control Department.
8. None. The reason for any refusal is given to applicant in writing. In the event of refusal to issue a license, the applicant has a right of appeal to the Ministry concerned.

#### **Eligibility of importers to apply for license**

9. Following persons or classes of persons are eligible to import goods under the regulations of Import and Export Control Act (Schedule II of the Gazette (Extra Ordinary) No. 1739/3 on 02.01.2012).
- i. An individual, or an individual trading, in his own name or under a business name;
- ii. A firm partnership or other entity which shall be registered in Sri Lanka;
- iii. Public companies and private companies which are incorporated in Sri Lanka under the Company Act No. 7 of 2007;
- iv. Non-nationals who has a valid visa to reside in Sri Lanka.

#### **Documentation and other requirements for licenses**

10. Following documents should be submitted with a duly completed application. (Application forms can be downloaded from the "Downloads" of the Department's website <http://www.imexport.gov.lk>).
- i. Proforma invoice;
- ii. Business Registration Certificate or National Identity Card (in first application);
- iii. Duly filled indent form (Application).

In addition to the above documents, importers of the following commodities/products will have to produce a letter of recommendation from the respective authority.

Type of Commodity	Recommendation Authority
Western drugs	Drugs and Cosmetic Devices Authority
Ayurvedic drugs	Commissioner of Ayurveda
Homeopathy drugs	Homeopathy Council
Pesticides	Registrar of Pesticides
Veterinary drugs	Veterinary Drugs Authority
Animal products	Director/Animal Production and Health
Arms, ammunitions, explosives	Ministry of Defense
Radioactive materials	Atomic Energy Authority
Petroleum products	Ceylon Petroleum Corporation
Used refrigerators and air conditioners	Ministry of Environment
Telecommunication equipment	Telecommunication Regulatory Commission, Ministry of Defense
Chemicals under the Montreal Protocol	National Ozone Unit, Ministry of Environment
Chemicals under the Basel Convention	Central Environmental Authority
Chemicals under the Stockholm Convention	Ministry of Environment
Chemicals under the Chemical Weapons Convention	Ministry of Industries and Commerce
Tea	Tea Board

11. Upon actual importation, an importer is required to submit the approved import license or a copy thereof. (Documents required for importation of used motor vehicles vary on case by case basis. Related schemes and guidelines can be downloaded from "downloads" of the Department's website (<http://www.imexport.gov.lk>).

12. Based on the product(s) to be imported, a license fee is applicable for processing the applications.

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

#### Conditions of licensing

14. Validity period of licenses vary with the commodities. Blanket licenses are also being issued for some selected commodities such as certain drugs and some petroleum products. The number of extensions will depend on the justification provided by importers. Validity period of the licenses can be extended three times only and is subject to a maximum period of one year.

15. There is no penalty for the non-utilization of a license or a portion of it.

16. Licenses are not transferable between importers.

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

- Validity period;
- Certificate of country of origin;
- Free trade sample- should be limited to 10 percent 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 packing, date of manufacturing and expiry, side effects etc.;
- Special conditions may apply depending on the commodity.

#### 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 payment for importation of goods and services is permitted without any restriction. At present, only a very limited number of items are under the requirement of an import license. Foreign exchange for import of goods and services can be obtained from any commercial bank (an authorized dealer in foreign exchange) subject to payment terms, stipulated in related government gazettes.

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