

Partnership for Accelerating Results in Trade, National Expenditure and Revenue (PARTNER) Activity

BRIEF ON THE CHANGES TO THE IMPORTS AND EXPORTS (CONTROL) ACT NO. I OF 1969 IN OCTOBER AND DECEMBER 2020

INTRODUCTION

With an aim to provide clarity and awareness on the changes observed in the Import and Export (Control) Regulation changes, this is the fourth in a series of briefs that looked at regulations imposed since April 2020. Past briefs can be accessed through [Trade Watch](#). This brief analyses the changes made to Import Control Licenses (ICL) in the Gazettes of No. 2199/20 published on the 29th of October 2020¹ and No. 2206/05 published on the 14th of December 2020². 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

- Similar to the August Gazette, the import control tool that was used in these regulations was the Import Control License (ICL)³. However, a point of concern is that certain items now require both an ICL and C-90 days⁴ (Batik, Fabric and Apparel) or C-180 days⁵ (Sugar).
- The October Gazette came into effect from 30th October 2020 and the December Gazette will be applicable to importation of goods with a date of Bill of Lading/Airway Bill on or after 15th December.
- The October Gazette made changes to the Food Sector (Sugar) while the December Gazette made changes to the Chemical and Allied Industries, Textile and Transportation Sector.
- The trend of relaxation in import controls did not continue in the recent October and December gazettes with the imposition of ICL on top of certain products already under credit restrictions. Previous Gazettes such as September 15th and October 19th saw relaxation of items through transfers from Temporary Suspension (TS) to C.

KEY CHANGES OBSERVED

Changes to the Schedule

- Nine sugar related products at 8-digit level have been inserted to the ICL schedule in the October Gazette. However, four HS codes of these Sugar products at 8-digit level were identified to be in the C-180 days of the July Gazette as well. Therefore, in order to import these four items an import control license with the liable import control license fee (refer [Changes to Import Control License Fee](#)) and a credit facility of 180 days will be required.

¹ <https://www.chamber.lk/images/COVID19/pdf/GazetteSugaron29thOct.pdf>

² <https://www.chamber.lk/images/COVID19/pdf/Gazette-2206.05.pdf>

³ Importation of goods will be on an Import Control License

⁴ Importation of goods can only be done with the Credit facility of 90-days

⁵ Importation of goods can only be done with the Credit facility of 180-days

- An operational instruction (21 /2020) issued in the course of the same day as the December Gazette, directed items under HS Heading 62.03, 62.04, 62.05, 62.06, 62.07, 62.08, 62.11, 62.13, 62.14, 63.02, 63.04 to require a valid import control license and a credit facility of 90 days (if the item is listed in C-90 days of July Gazette) in order to import.

Changes to Import Control License Fee

- The October Gazette imposed an import control license fee on the specified Sugar items of 0.4% of CIF value while the December Gazette imposed import control license fee on the specified Apparels and Fabrics and, Fishing Vessels and Yachts of 1.0% of CIF value and 10.0% of CIF value respectively.

Table 01: Summary of Products with Import Control License Fee Imposed Since August 2020

Gazette Number and Date	Serial No.	Item	Import Control License Fee
No. 2189/04 of 18 August 2020	55	Salt	0.2% of CIF value
	56	Face mask	0.2% of CIF value
	57	Grain sorghum	0.3% of CIF value
	58	Saws	0.4% of CIF value
No. 2199/20 of 29 October 2020	59	Sugar	0.4% of CIF value
No. 2206/05 of 14 December 2020	60	Apparels and Fabrics	1.0% of CIF value
	61	Fishing vessels and Yachts	10.0% of CIF value

OVERVIEW OF THE SECTOR IMPLICATIONS

The October Gazette only added Sugar products to the ICL while the December Gazette additions were seen across the Chemical and Allied industries, textile sector and transportation sector. The textile sector saw the highest number of items added to Import Control License followed by the transportation sector (Boats/Ships/Yachts) while one Chemical and Allied product was removed from the ICL requirement.

Table 02: Summary of Products under Import Control License in August, October and December Gazette⁶

⁶ Plus sign (+) indicates when items have been added to the relevant list and minus sign (-) indicates a removal

HS Chapter Range	Product Description	No. 2189/04 of 18 August 2020				No. 2199/20 of 29 October 2020	No. 2206/05 of 14 December 2020	
		Import Control License (ICL)		Banned (B)		Import Control License (ICL)	Import Control License (ICL)	
		Added	Suspended	Added	Removed	Added	Added	Removed
01-05	Animal and Animal Products	0	0	0	0	0	0	0
06-15	Vegetable Products	1	50	0	0	0	0	0
16-24	Food Stuff	0	0	0	0	9	0	0
25-27	Mineral Products	3	0	2	1	0	0	0
28-38	Chemical and Allied industries	28	1	0	0	0	13	1
39-40	Plastics / Rubbers	0	0	5	0	0	0	0
41-43	Raw Hides, Skins, Leather, and Furs	0	0	0	0	0	0	0
44-49	Wood and Wood Products	0	0	0	0	0	0	0
50-63	Textiles	1	6	0	0	0	230	0
64-67	Footwear/ Headgear	0	0	0	0	0	0	0
68-71	Stone/Glass	0	2	0	0	0	0	0
72-83	Metals	2	0	0	0	0	0	0
84-85	Machinery/ Electrical	5	38	0	1	0	0	0
86-89	Transportation	0	315	0	0	0	8	0
90-97	Miscellaneous	0	39	0	0	0	0	0
Total		40	451	7	2	9	251	1

SUMMARY OF IMPORT RESTRICTIONS

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

Table 03: Summary of Import Restrictions

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 ⁷ -418	6
No. 2182/10 of 30 June 2020	1079 ⁸	767 ⁹	117	Added ¹⁰ -33 Removed -10 Suspended ¹¹ -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 ¹² Suspended indefinitely-451	Removed-2 Added -7
No. 2193/9 of 15 September 2020	594 ¹³	1014 ¹⁴	131 ¹⁵	N/A	N/A
No. 2198/2 of 19	523 ¹⁶	1089 ¹⁷	130 ¹⁸	N/A	N/A

⁷ Suspension was valid till 17th August

⁸ Removed -19 from May and added -22 to May Gazette

⁹ Removed -18 from May and added -51 to May Gazette

¹⁰ 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

¹¹ Suspension was valid till 17th August 2020

¹² The Import Control License Fee introduced in June continued

¹³ Removed – 16 from the July Gazette and 219 Transfers to C-90 days

¹⁴ Added – 219 (this was a transfer from the TS schedule of July to C-90 days). Removed -2 from the July Gazette

¹⁵ Removed -1 from the July Gazette

¹⁶ 71 transferred to C-90 days

¹⁷ 71 transferred to C-90 days and 4 more items added with description changes

¹⁸ Removed one HS code

October 2020					
No. 2199/20 of 29 October 2020	N/A	N/A	N/A	Added -9 ¹⁹	N/A
No. 2206/05 of 14 December 2020	N/A	N/A	N/A	Added -25 ²⁰ Removed -1	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

Annexure I

List of the Extraordinary Gazettes implemented since April 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](#)

For further details, /clarifications



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This brief is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the report's authors at CCC and PARTNER and do not necessarily reflect the views of USAID or the U.S Government.

¹⁹ An Import Control License Fee was also imposed on Sugar items of 0.4% of CIF value

²⁰ 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