

## 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 DECEMBER 2020**

#### **INTRODUCTION**

Subsequent to the release of our fourth brief, in a series that looked at regulations imposed since April 2020 to curtail imports, a new Gazette (No. 2207/15) was published on the 24<sup>th</sup> of December 2020<sup>1</sup>. This brief analyses the changes brought about with this Gazette with an aim to provide clarity and awareness on the Import and Export (Control) Regulation changes. 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**

- Similar to the Gazettes published on 15<sup>th</sup> September and 19<sup>th</sup> October of 2020, this Gazette too made amendments to the 16<sup>th</sup> July 2020 Gazette using two Import control tools namely; Temporary Suspension (TS)<sup>2</sup> and Credit Basis (C)<sup>3</sup>.
- This Gazette will be applicable to importation of goods with a date of Bill of Lading/Airway Bill on or after 25<sup>th</sup> December 2020.
- The Gazette made changes to Apparel, Transport, Metal, Plastics/ Rubber, Animal and Animal Products, Vegetable, Chemical and Allied industries and, Raw Hides, Skins, Leather, and Fur Sectors.
- This gazette saw a combination of restrictive and relaxation measures being applied. The gazette had restrictive measures such as transferring products from C-90 days to TS and, new additions into the C-90 days and C-180 days. Relaxation measures included transfers from TS to C-90 days and, complete removal of items in schedules C-90 days, C-180 days and TS.

#### **KEY CHANGES OBSERVED**

##### **Changes to the Schedule**

The below examines the changes made to the schedules under the broad classification of restrictive and relaxation measures.

##### Restrictive Measures

- The transfer from C-90 days to TS was made to one item namely; Sweetened Condensed Milk. Though this was a restrictive move, the item's contribution to the total import bill in

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<sup>1</sup> [https://www.chamber.lk/images/COVID19/pdf/Gazette\\_220715-compressed.pdf](https://www.chamber.lk/images/COVID19/pdf/Gazette_220715-compressed.pdf)

<sup>2</sup> Importation of goods temporary suspended under payment terms 3(1)(a), 3(1)(b), and 3(1)(c), of the Imports and Exports (Control) Regulations No. 1 of 2011 published in the Gazette Extraordinary No. 1739/3 dated 2 January 2012

<sup>3</sup> Importation of goods can only be done with a Credit facility of either 90-days or 180-days as assigned in the Gazette

2019 was negligible<sup>4</sup> according to import data by Sri Lanka Customs. Therefore, this will have a very marginal impact on the trade.

- There were 95 HS codes at 8-digit level that were added into C-90 days schedule and one HS code at 8 digit level added to C-180 days schedule. Barring 4 HS codes, the rest of the items were all new additions to the schedules. For these 4 HS codes, the descriptions were amended to require a credit facility for the importation of certain items listed under each HS code while the rest of the other items under each HS code remained under temporary suspension<sup>5</sup> as given below.

Table 01: Summary of Amended Descriptions of additions to C in the 24<sup>th</sup> December Gazette

HS Code	Description Amended		
	TS	C-90 days	C-180 days
34013090	Organic surface-active products and preparations for washing the skin: Other (except Milk bath only)	Organic surface-active products and preparations for washing the skin: Other (Milk bath only)	-
39241090	Of other plastics (except Camping Equipment only)	Of other plastics (Camping Equipment only)	-
39249090	Other (except hangers, Feeding Bottle, Baby Soother, Nipple Shield, Baby Teether, Cycling Bottles)	Other (Cycling Bottles only)	-
87120090	Bicycles and other cycles (including delivery tricycles), not motorized: Other (except Sports and Racing Bicycles only)	-	Bicycles and other cycles (including delivery tricycles), not motorized: Other (Sports and Racing Bicycles only)

### Relaxation Measures

- 163 items were completely removed from C-90 days, 6 items were completely removed from C-180 days and 4 items were completely removed from TS. Of these, 82 apparel products at HS 8 digit (65 items under HS 62 and 17 items under HS 63), which were completely removed from C-90 days, have seen changes in schedules in past regulations as well (refer Table 02 below). Indicating further relaxation measures when compared to past regulations.

<sup>4</sup> 0.0000025%

<sup>5</sup> i.e. if the description of the HS code at 8 digit level captures items 1,2,3,4 and 5, then the description was amended to require a credit facility for items 1, and 2 while 3, 4 and 5 were remained under temporary suspension

- Another point to note was that, even though 82 apparel items were removed from C-90 days, another 81 fresh apparel items were added to the C-90 days (under HS heading 62 and 63).

Table 02: Summary of regulations seen across the 82 Apparel products under HS heading 62 and 63

Apparel products HS Heading	Extraordinary Gazette No. 21931/9 of 15 <sup>th</sup> September	Operational Instructions No. 15/2020 of 24 <sup>th</sup> September	Operational Instructions No. 18/2020 of 9 <sup>th</sup> October	Extraordinary Gazette No. 2198/2 of 19 <sup>th</sup> October 2020	Operational Instructions No. 21/2020 of 14 <sup>th</sup> December	Extraordinary Gazette No. 2207/15 of 24 <sup>th</sup> December
<b>HS 62</b> (a total of 65 products at HS 8 digit)	Transferred from TS to C - 90 days	Transferred back to TS	Again transferred back to C -90 days	#N/A	Added to ICL <sup>6</sup> while in C-90 days	Removed from C-90 days
<b>HS 63</b> (a total of 17 products at HS 8 digit)	#N/A	#N/A	#N/A	Transferred from TS to C - 90 days	Added to ICL while in C-90 days	Removed from C-90 days

Note: N/A (Not Applicable) - Regulation did not cover the product

## OVERVIEW OF THE SECTOR IMPLICATIONS

Apparel sector saw the highest number of items removed from the C-90 days schedule followed by the transport sector. Apparel sector also recorded the highest number of additions into the C-90 days followed by sectors such as transport and metals. Plastics/rubber sector recorded the highest number of transfers from TS to C-90 days followed by metal sector. Transportation sector was also the only sector that got removed from C-180 days. Sweetened Condensed Milk was moved from C-90 days to TS and Sports and Racing Bicycles were added into C-180 days.

Table 03: Summary of Products under Import Control License in July, September, October and December Gazette<sup>7</sup>

HS Chapter Range	Product Description	No. 2184/21 of 16 July 2020		No. 2193/9 of 15 September 2020		No. 2198/2 of 19 October 2020			No. 2207/15 of 24th December			
		TS	C	TS	C		TS	C		TS	C	
					90 Days	180 Days		90 Days	180 Days		90 Days	180 Days

<sup>6</sup> Importation of goods will be on an Import Control License

<sup>7</sup> Plus sign (+) indicates when items have been added to the relevant list and minus sign (-) indicates a removal

			90 Day s	180 Day s	-	+	-	-	-	+	-	+	-	+	-	+	-
01-05	Animal and Animal Products	10	14	0	0	0	0	0	0	0	0	1	0	0	1	0	0
06-15	Vegetable Products	77	24	5	0	0	0	0	0	0	0	0	2	2	0	0	0
16-24	Food Stuff	27	27	4	0	0	0	0	0	0	0	0	0	0	0	0	0
25-27	Mineral Products	9	2	5	0	0	0	0	0	0	0	0	0	0	0	0	0
28-38	Chemical and Allied industries	11	34	0	1	0	0	0	3	3	0	0	0	1	0	0	0
39-40	Plastics /Rubbers	34	54	0	3	0	1	0	0	2	0	0	8	9	0	0	0
41-43	Raw Hides, Skins, Leather , and Furs	18	2	0	0	0	0	0	17	17	0	0	1	1	0	0	0
44-49	Wood and Wood Products	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50-63	Textiles	260	2	0	213	213	0	0	47	47	0	0	0	81	82	0	0
64-67	Footwear/Headgear	7	42	0	0	0	0	0	3	3	0	0	1	1	0	0	0
68-71	Stone/Glass	54	13	0	3	0	0	0	1	1	0	0	2	0	0	0	0
72-83	Metals	9	303	0	0	0	0	0	0	0	0	0	6	10	9	0	0
84-85	Machinery/Electrical	0	246	82	0	0	1	1	0	0	1	0	0	0	0	0	0

86-89	Transportation	242	1	36	9	0	0	0	0	0	0	0	1	7	72	1	6
90-97	Miscellaneous	42	32	0	6	6	0	0	0	2	0	0	0	0	0	0	0
TOTAL		829	796	132	235	219	2	1	71	75	1	1	21	112	164	1	6

## SUMMARY OF IMPORT RESTRICTIONS

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

Table 04: 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
<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>8</sup> -418	6
<b>No. 2182/10 of 30 June 2020</b>	1079 <sup>9</sup>	767 <sup>10</sup>	117	Added <sup>11</sup> -33 Removed -10 Suspended <sup>12</sup> -27	Removed-4 Added- 2
<b>No. 2184/21 of 16 July 2020</b>	829	796	132	N/A	N/A

<sup>8</sup> Suspension was valid till 17th August

<sup>9</sup> Removed -19 from May and added -22 to May Gazette

<sup>10</sup> Removed -18 from May and added -51 to May Gazette

<sup>11</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>12</sup> Suspension was valid till 17th August 2020

<b>No. 2189/04 of 18 August 2020</b>	N/A	N/A	N/A	Added -40 <sup>13</sup> Suspended indefinitely-45 <sup>1</sup>	Removed-2 Added -7
<b>No. 2193/9 of 15 September 2020</b>	594 <sup>14</sup>	1014 <sup>15</sup>	131 <sup>16</sup>	N/A	N/A
<b>No. 2198/2 of 19 October 2020</b>	523 <sup>17</sup>	1089 <sup>18</sup>	130 <sup>19</sup>	N/A	N/A
<b>No. 2199/20 of 29 October 2020</b>	N/A	N/A	N/A	Added -9 <sup>20</sup>	N/A
<b>No. 2206/05 of 14 December 2020</b>	N/A	N/A	N/A	Added -25 <sup>21</sup> Removed -1	N/A
<b>No. 2207/15 of 24 December</b>	503 <sup>22</sup>	1037 <sup>23</sup>	125 <sup>24</sup>	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

## 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](#)

<sup>13</sup> The Import Control License Fee introduced in June continued

<sup>14</sup> Removed – 16 from the July Gazette and 219 Transfers to C-90 days

<sup>15</sup> Added – 219 (this was a transfer from the TS schedule of July to C-90 days). Removed -2 from the July Gazette

<sup>16</sup> Removed -1 from the July Gazette

<sup>17</sup> 71 transferred to C-90 days

<sup>18</sup> 71 transferred to C-90 days and 4 more items added with description changes

<sup>19</sup> Removed one HS code

<sup>20</sup> An Import Control License Fee was also imposed on Sugar items of 0.4% of CIF value

<sup>21</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>22</sup> 4 deleted from TS, 17 transferred from TS to C-90 and 1 transferred from C to TS

<sup>23</sup> 17 transferred from TS to C, 95 new additions, 1 transfer from C to TS and 163 removals

<sup>24</sup> 6 new additions and 1 removal

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](#)

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For further details, /clarifications



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