PARLIAMENT OF THE DEMOCRATIC

SOCIALIST REPUBLIC OF

SRI LANKA

PORTS AND AIRPORTS DEVELOPMENT

LEVY ACT, No. 18 OF 2011

[Certified on 31st March, 2011]

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Ports and Airports Development Levy 1

Act, No. 18 of 2011

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L.D.—O. 9/2011.

ANACT TO MAKE PROVISION FOR THE IMPOSITION AND COLLECTION OF A

LEVY TO BE CALLED THE PORTS AND AIRPORTS DEVELOPMENT LEVY

ON EVERY ARTICLE ORIGINATING FROM OUTSIDE SRI LANKA AND

IMPORTED INTO SRI LANKA; TO AMEND PART I OF THE FINANCE ACT,

NO. 11 OF 2002; AND TO PROVIDE FOR MATTERS CONNECTED

THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist

Republic of Sri Lanka as follows:—

1. This Act may be cited as the Ports and Airports Short title.

Development Levy Act, No. 18 of 2011.

PART I

IMPOSITION OF PORTS AND AIRPORTS DEVELOPMENT LEVY

2. Subject to the provisions of section 7, there shall be Levy on articles

charged and levied on the cost, insurance and freight value imported into

Sri Lanka.

of every article originating from outside Sri Lanka and

imported into Sri Lanka, a levy to be called the Ports and

Airports Development Levy ( hereinafter in this Part referred

to as the “Levy”).

3. (1) The levy to be charged and levied in respect of Manner of

the cost, insurance and freight value of any article referred calculating the

levy.

to in section 2 shall be calculated, at the rate of 5.0

percentum, for the period commencing on January 1, 2011.

(2) With effect from January 1, 2011, no levy shall be

charged in respect of the cost, insurance and freight value of

any article imported into Sri Lanka—

(a) for the purpose of processing and re-export; or

(b) to be used for the manufacture of goods for exports.

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(3) The Minister may, from time to time having regard to

the interests of the national economy, by Order published in

the Gazette—

(a) exempt from the operation of the above levy, any

article specified therein; or

(b) specify a concessionary rate to be charged and

levied in respect of any article or articles specified

therein.

(4) Every Order, made in terms of subsection (3) by the

Minister shall—

(i) be in operation immediately upon the Minister

affixing his signature thereto;

(ii) be published in the Gazette as soon as convenient;

(iii) be approved by resolution of Parliament as soon as

convenient thereafter; and

(iv) if not approved by Parliament, be deemed to be

rescinded with effect from the date of such

resolution.”.

No levy to be 4. (1) The following articles shall be exempt from the

charged in Ports and Airports Development Levy—

respect of

specified

articles. (i) foreign currency notes as specified under the

relevant Harmonized Commodity Description and

coding System Numbers for the purposes of

Customs Ordinance (Chapter 235) (with effect from

June 1, 2010);

(ii) goods for the use of international events conducted

in Sri Lanka, on donations from abroad, as approved

by the Minister in charge of the subject of Finance

having regard to the interests of the national

economy (with effect from May 12, 2010);

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(iii) goods for any infrastructure development project

out of the donations directly to Government

Ministries, as approved by the Minister in charge

of the subject of Finance;

(iv) goods for any specified project funded through

foreign loans and on which project the tax is borne

by the Government, as approved by the Minister in

charge of the subject of Finance having regard to

the interests of the national economy; and

(v) any other article which the Minister in charge of

the subject of Finance may, by Order published in

the Gazette, in terms of subsection (3) of section 3,

declare as being an exempted article.

(2) Notwithstanding the provisions of sections 2 and 3,

the Director-General of Customs shall defer the collection

of the levy on the importation of any article, for the use of

any specified project identified by the Minister in charge of

the subject of Finance, by an Order published in the Gazette,

having regard to the interests of the national economy on

which the tax is borne by the government, with effect from

July 1, 2009 until such time the article is re-exported after

the completion of such project, subject to the furnishing of

a corporate guarantee which covers the amount of the tax

due on the articles so imported.

5. The levy payable under section 2 on an article Levy to be paid

imported into Sri Lanka, shall be paid by the person importing to the Director-

General of

the article to the Director-General of Customs, at the time of

Customs.

the import of the article, and upon payment of the levy the

Director-General of Customs shall cause an endorsement

specifying the amount recovered as the levy to be made on

the import invoice relating to that article.

6. Where any article originating from outside Sri Lanka Purchase of

and imported into Sri Lanka is sold— certain articles

deemed to be

imported for the

(a) by the Director-General of Customs for the recovery

purpose of this

of any customs duty, surcharge or other levy payable Act.

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or deemed to be payable under the Customs

Ordinance or for any contravention of the

provisions of the Customs Ordinance (Chapter 235);

(b) by the Sri Lanka Ports Authority established by the

Sri Lanka Ports Authority Act, No. 51 of 1979, for

the recovery of any dues under that Act; or

(c) by the Commissioner-General of Inland Revenue,

for any taxes administered by him,

the purchaser of that article shall be deemed for the purposes

of section 5 to be the person importing that article and the

provisions of this Act shall accordingly apply to such purchaser.

Exemptions. 7. Nothing in section 2 shall apply to any article

imported into Sri Lanka in respect of the provision of any

service by a mission of any State or any organization to

whom the provisions of the Diplomatic Privileges Act, No. 9

of 1996 applies.

Customs 8. The levy shall, for purposes of recovery of the levy

Ordinance to and notwithstanding anything to the contrary in this Act, be

apply to the

deemed to be a customs duty payable under the Customs

recovery of

levy. Ordinance (Chapter 235), and accordingly the provisions of

the Customs Ordinance (Chapter 235) shall apply to the

recovery of such levy.

Amount 9. The Director-General of Customs shall transmit to

recovered as the Consolidated Fund, all sums recovered by him as the

levy to be

levy under this Act.

credited to the

Consolidated

Fund.

Interpretation. 10. In this Part, unless the context otherwise requires,

“article” means any goods, materials, foreign currency notes,

any agricultural or horticultural products or merchandise

but does not include diamonds, gems, gold, jewellery and

electronic items, imported for the purpose of processing and

re-export.

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11. The provisions of— Retrospective

effect.

(1) paragraph (i) of subsection (1) of section 4 of this

Act shall be deemed for all purposes to have come

into effect on June 1, 2010;

(2) paragraph (ii) of subsection (1) of section 4 of this

Act shall be deemed for all purposes to have come

into effect on May 12, 2010;

(3) paragraph (iii) of subsection (1) of section 4 of this

Act shall be deemed for all purposes to have come

into effect on September 8, 2010;

(4) paragraph (iv) of subsection (1) of section 4 of this

Act shall be deemed for all purposes to have come

into effect on January 1, 2010;

12. The provisions of this Act shall, be deemed for all Operation of the

purposes to have come in to operation on January 1, 2011. provisions of

this Act,

13. Where the Director-General of Customs collects, Indemnity.

during the period commencing on January 1, 2011 and

ending on the date of the commencement of this Act, from a

person importing any article, the levy on such amount as is

equal to five percentum as specified in section 3 of this Act

on the cost, insurance and freight value of such article, such

collection, shall be deemed for all purposes to have been,

and to be, validly made, and the Director-General of Customs

is hereby indemnified against all action, civil or criminal, in

respect of such collection.

14. (1) The Minister may make regulations in respect of Regulations.

all matters which are required by this Act to be prescribed or

in respect of which regulations are required or authorized to

be made under this Act.

(2) Every regulation made under subsection (1) shall be

published in the Gazette and shall come into operation on

the date of publication, or on later date as may be specified

therein.

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(3) Every regulation made under subsection (1) shall, as

soon as convenient after its publication in the Gazette, be

placed before Parliament for approval. Every regulation

which is not so approved shall be deemed to be rescinded as

from the date of disapproval, but without prejudice to

anything previously done thereunder.

(4) Notification of the date on which any regulation is

deemed to be so rescinded shall be published in the Gazette.

PART II

AMENDMENT OF PART I OF THE FINANCE ACT, NO. 11 OF 2002

Amendment of 15. Section 2 of the Finance Act, No. 11 of 2002 (Part I)

section 2 of Part is hereby amended in the first proviso to that section, by the

I of the Finance

repeal of paragraph (d) thereof and the substitution therefor

Act, No. 11 of

2002. of the following paragraph:—

“(d) for the period commencing on January 1, 2009

and ending on December 31, 2010 at the rate of

5.0 per centum.”.

Part I of the 16. It is hereby declared for the avoidance of doubts,

Finance Act, No. that the provisions of Part I of the Finance Act, No. 11 of

11 of 2002 not

2002 relating to the payment of the Ports and Airports

to apply.

Development Levy shall not apply to any article originating

from outside Sri Lanka and imported into Sri Lanka or after

January 1, 2011.

Sinhala text to 17. In the event of any inconsistency between the

prevail in case Sinhala and Tamil texts of this Act, the Sinhala text shall

of any

inconsistency. prevail.

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