

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Sri Lanka Revises Import Control Regulations Further on July 16  
Due to COVID-19

**Country:** Sri Lanka

**Post:** Colombo

**Report Category:** Agricultural Situation, Agriculture in the News, FAIRS Subject Report

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**Report Highlights:**

Government of Sri Lanka (GOSL) revised the temporary import controls on July 16, 2020 as an interim measure to tackle adversities of COVID 19. The new regulation applies mainly on commodities loaded on or after July 17, 2020 at the loading port, though differing dates are stipulated for some specific commodities, based on the payment terms. The regulation is flexible for import of raw materials for local value addition, and export processing, while others are allowed on a restricted basis. GOSL revised import control regulations at several stages since March 19, 2020.

## General Information:

DISCLAIMER: The information contained in this report on revised import restrictions was retrieved from the notification available on [Department of Import and Export Control](#) website. USDA and/or the U.S. Government make no claim of accuracy or authenticity.

Sri Lanka imposed an island-wide lock down from March 20, 2020 to reduce the spread of COVID-19. While the lockdown was gradually relaxed from April 22, 2020 the government of Sri Lanka (GOSL) enacted other stringent measures to counter the economic impact of the COVID-19 crisis: on March 19, 2020 the [Central Bank of Sri Lanka directed](#) commercial banks to curtail facilitation of financial instruments in the importing of non-essential commodities; on April 16, 2020 GOSL announced [temporary suspension of import](#) of commodities under 156 Harmonized System (HS) headings; and the same notice listed commodities under 111 HS headings for which the terms of payment for any imports would be delayed for three months. At the same time, [Ministry of Finance, Sri Lanka](#) notified an increase of Special Commodity Levy (SCL) on imported fruits for two months under four Harmonized System (HS) headings beginning April 17, 2020. GOSL [revised the import restrictions](#) again on May 22, 2020, which applied on commodities loaded on a date not exceeding 90 days from April 16, 2020 from the exporting country. The regulation listed commodities under temporary suspension and commodities allowed to import under credit facility; it also stipulates conditions required to qualify for importation. It further listed out commodities under 32 HS headings which were under import control license earlier but are suspended for a 90-day period from May 22, 2020. The next revision took effect on [June 30, 2020](#) and revised parts of the May 22, 2020 regulation. The new regulation's changes to the previous provided more clarity. It applies to imported goods which have bills of lading dated on or after June 30, 2020. However, the applicable date differed for some commodities specified in the regulation, based on the payment terms.

The [latest revisions of import restrictions](#) took effect on July 16, 2020. The revised regulation intends to allow imports in a way that minimizes the impact on domestic currency, while ensuring uninterrupted raw material supply for domestic manufacturing and export processing. The restriction also intends to protect certain industries and local production.

Again, the latest regulation mainly is 'effective for importation of goods which are loaded on or after July 17, 2020'. However, the applicable date differs for some commodities specified in the regulation, based on the payment terms.

The revised regulation supersedes the previous Schedule I with a new Schedule I. The new Schedule I includes commodities under 135 HS headings. Until further notice, commodities in Schedule I are not permitted to be imported using finance terms such as payment in advance, open account, and letter of credit. Schedule II lists commodities under 165 HS headings which may be imported, but only under 90 day or 180 day (specified) deferred payment terms. This new Schedule II supersedes the previous schedule. Nevertheless, if a commodity in Schedule I or II is required as a raw material for local manufacturing, it will be allowed under minimum 30 day deferred payment terms if it is to undergo at least a 35% local value addition, and provided that such raw

material is not locally available. In such case, the importer must provide a recommendation for a waiver through specified government authorities.

The agricultural items under the following HS headings in Schedule I, imported for local market are allowed to be released if the advance payment of 80% or more has been made on or before May 21, 2020. The HS headings are, 07.02, 07.03, 07.05, 07.06, 07.07, 07.08, 07.09, 07.13, 07.14, 08.01, 08.03, 08.04, 08.07, 08.10, 08.11, 10.06, 10.08, 11.02, 11.03, 11.06, 12.02, 12.07, 12.08 in the Schedule I. The regulation further stipulates the terms which commodities under Schedule I and II can be released.

Rules applying to imports under Temporary Import for Export Processing (TIEP) scheme or for the purpose of indirect exports differ from the above. It is advisable to approach the [Department of Imports and Exports Control](#) for clarifications on terms applying to a particular product. The detailed terms of the regulation can be found in the attached regulation.

**Table 1: Food and Agriculture Commodities from Schedule I Under Temporary Suspension by HS Heading (suspended HS Codes under each HS heading is given in the GOSL published notification)**

HS Heading	Description
03.01	Live Fish
03.04	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen
07.02	Tomatoes, fresh or chilled
07.03	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled
07.05	Lettuce ( <i>Lactuca sativa</i> ) and chicory ( <i>Cichorium spp.</i> ), fresh or chilled
07.06	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled
07.07	Cucumbers and gherkins, fresh or chilled
07.08	Leguminous vegetables, shelled or unshelled, fresh or chilled
07.09	Other vegetables, fresh or chilled
07.13	Dried leguminous vegetables, shelled, whether or not skinned or split
07.14	Manioc, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith
08.01	Coconuts, Brazil nuts and cashew nuts, fresh or dried, whether or not shelled or peeled
08.03	Bananas, including plantains, fresh or dried
08.04	Dates, figs, pineapples, avocados, guavas, mangoes and mangoosteens, fresh or dried
08.07	Melons (including watermelons) and papaws (papayas), fresh
08.10	Other fruit, fresh (Only 0810.10.00, 0810.60.00)
08.11	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter (only 0811.10.00)
10.06	Rice

10.08	Buckwheat, millet and canary seeds; other cereals (+)
11.02	Cereal flours other than of wheat or meslin
11.03	Cereal groats, meal and pellets
11.06	Flour, meal and powder of the dried leguminous vegetables of heading 07.13, of sago or of roots or tubers of heading 07.14 or of the products of Chapter 8
12.02	Ground-nuts, not roasted or otherwise cooked, whether or not shelled or broken (+)
12.07	Other oil seeds and oleaginous fruits, whether or not broken
12.08	Flours and meals of oil seeds or oleaginous fruits, other than those of mustard
15.07	Soya-bean oil and its fractions, whether or not refined, but not chemically modified.
15.13	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified (+)
17.04	Sugar confectionery (including white chocolate), not containing cocoa
19.03	Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls, siftings, or in similar forms
19.04	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre-cooked, or otherwise prepared, not elsewhere specified or included
19.05	Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products
21.06	Food preparations not elsewhere specified or included
22.01	Waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavored; ice and snow
22.06	Other fermented beverages (for example, cider, perry, mead, sake); mixtures of fermented beverages and mixtures of fermented beverages and nonalcoholic beverages, not elsewhere specified or included
22.09	Vinegar and substitutes for vinegar obtained from acetic acid

**Table 2: Food and Agriculture Commodities from Schedule II By HS Heading (Credit period for HS codes under each HS heading is given in the GOSL published notification)**

HS Heading	Description	Credit basis (days)
03.04	Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen	90
04.03	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavored or containing added fruit, nuts or cocoa (only 0403.10.00, 0403.90.00)	90
07.13	Dried leguminous vegetables, shelled, whether or not skinned or split	90

10.01	Wheat and meslin	90
10.06	Rice	90
11.04	Cereal grains otherwise worked (for example, hulled, rolled, flaked, pearled, sliced or kibbled), except rice of heading 10.06; germ of cereals, whole, rolled, flaked or ground	90
11.05	Flour, meal, powder, flakes, granules and pellets of potatoes	90
11.07	Malt, whether or not roasted	90
11.08	Starches; inulin	90
15.11	Palm oil and its fractions, whether or not refined, but not chemically modified	180
15.12	Sunflower seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified	90
15.13	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified	90
17.01	Cane or beet sugar and chemically pure sucrose, in solid form	180
18.06	Chocolate and other food preparations containing cocoa	90
19.01	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 04.01 to 04.04, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included	90
19.02	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared	90
19.04	Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grain form or in the form of flakes or other worked grains (except flour, groats and meal), pre-cooked, or otherwise prepared, not elsewhere specified or included	90
20.04	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored, and other non-alcoholic beverages, not including fruit or vegetable juices of heading 20.09	90
22.03	Beer made from malt	90

**Attachments:**

[200716\\_E\\_Import Export Control COVID.docx](#)