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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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## PART I : SECTION (I) — GENERAL

### Government Notifications

L. D. -B. 3/2021(II)

#### THE COLOMBO PORT CITY ECONOMIC COMMISSION ACT, NO. 11 OF 2021

REGULATIONS made by the Minister of Investment Promotion in consultation with the Colombo Port City Economic Commission under section 71 of the Colombo Port City Economic Commission Act, No. 11 of 2021, read with section 52 of the aforesaid Act.

**RANIL WICKREMESINGHE,**  
Minister of Investment Promotion.

Colombo,  
April 22, 2024.

#### Regulations

1. These regulations may be cited as the Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance-Duty Free Operations) Regulations, No. 01 of 2024.

2. (1) An authorised person who intends to carry on a business of duty-free retail operations or duty-free mall operations in and from the Area of Authority of the Colombo Port City shall satisfy the requirements specified in sub-regulation (3) or (4) respectively.



(2) Upon satisfying the requirements specified in sub-regulation (3) or (4) as the case may be, the duty-free retail operations and duty-free mall operations may, subject to the provisions of subsection (2) of section 52 of the Act, be designated as Businesses of Strategic Importance-Duty Free Operations.

(3) An authorised person who intends to carry on the business of duty-free retail operations shall satisfy the following requirements: -

- (a) to make a minimum investment of USD Five million;
- (b) to demonstrate to the satisfaction of the Commission that it has global experience in duty-free operations and has access to a portfolio of luxury high-end branded retail products;
- (c) to adopt the Commission's passenger entry registration process which is integrated with the Department of Immigration and Emigration for the validation of permitted customers; and
- (d) to adopt supervision and oversight of the duty-free retail operation compliances of the Sri Lanka Customs in accordance with regulation 7.

(4) An authorised person who intends to carry on the business of duty-free mall operations shall be required to satisfy the following requirements: -

- (a) to make a minimum investment of USD Seven million; and
- (b) to adopt the Commission's passenger entry registration process which is integrated with the Department of Immigration and Emigration for the validation of permitted customers.

3. A business designated as -

- (a) a Business of Strategic Importance-Duty Free Retail Operations; or
- (b) a Business of Strategic Importance-Duty Free Mall Operations,

shall be entitled to the exemptions from, or incentives under, the enactments set out in Schedule II to the Act, for a period of twenty years from the date of publication of an Order in the *Gazette* in terms of subsection (3) of section 53 of the Act.

4. An authorised person shall be entitled for the exemptions or incentives granted under regulation 3 only if such authorised person satisfies the requirements specified in these regulations and is designated as a Business of Strategic Importance-Duty Free Retail Operations or a Business of Strategic Importance-Duty Free Mall Operations within a period of three years from the date of publication of these regulations in the *Gazette*.

5. An authorised person who has been designated as a Business of Strategic Importance -Duty Free Retail Operations or a Business of Strategic Importance -Duty Free Mall Operations in accordance with these regulations-

- (a) shall only sell the permitted goods specified in *Column I* of Schedule I to these regulations within the product description specified in the corresponding entry in *Column II* of that Schedule and in permitted quantities specified in the corresponding entry in *Column III* of that Schedule; and
- (b) shall sell the permitted goods referred to in sub-regulation (a) to the permitted customers specified in the headings of *Column II, Column III, Column IV, Column V* and *Column VI* of Schedule II to these regulations, within the permitted allowances and in accordance with the other conditions specified in the corresponding entry in each such Column, as correspond to the details of the allowances specified in *Column I* of that Schedule.

6. The Duty-Free Retail Operators shall use a digital payment system (cashless electronic payment system) to carry out duty-free retail transactions with Sri Lankan passport holders including dual-citizens of Sri Lanka and foreign passport holders with resident visa in Sri Lanka specified in *Column II* of Schedule II to these regulations.

7. The Duty-Free Retail Operations and Duty-Free Mall Operations shall be under the regulatory supervision and oversight of the Sri Lanka Customs, the Department of Immigration and Emigration and the Ministry of Foreign Affairs.

8. In these regulations -

“Act” means the Colombo Port City Economic Commission Act, No. 11 of 2021;

“authorised person” shall have the same meaning as in the Act;

“Commission” means the Colombo Port City Economic Commission established under section 2 of the Act;

“duty-free mall operations” means operations of an authorised person who develops and manages one or more duty-free malls consisting of multiple duty-free retail operators and the infrastructure of such duty-free malls within the Area of Authority of the Colombo Port City;

“duty-free operations” means duty-free retail operations and duty-free mall operations; and

“duty-free retail operations” means operations of an authorised person who is engaged in the business of selling retail goods within the duty-free mall operations;

“resident visa holder” means a person holding a valid foreign passport with any type of Sri Lankan Resident Visa issued by the Department of Immigration and Emigration of Sri Lanka.

“Sri Lankan Passport Holder” means a person holding a valid passport issued by the Department of Immigration and Emigration in Sri Lanka including a Sri Lankan having dual citizenship; and

“Tourist” means a foreign passport holder with a valid visa.

9. The Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance-Duty Free Operations) Regulations, No. 3 of 2023 published in the *Gazette Extraordinary* No. 2355/30 of October 25, 2023 are hereby rescinded.

SCHEDULE I Permitted Goods in Permitted Quantities			[regulation 5]
Column I	Column II	Column III	Permitted Quantities (Units of Sale)
Permitted Goods	Definition of Product Type (Permitted Quantity is limited to the Product Type Defined)		
1	Ceylon Tea and Sri Lankan Spices including Drinks*	Ceylon Tea and Sri Lankan Spices including Drinks	No limit
2	Clothing	Business & Formal Attire, Casual Wear, Sportswear & Inner Wear	Maximum of 16 units in total (maximum of 4 units of Business & Formal Attire or Casual Wear or Sportswear or Inner Wear)
3	Computers & Computer Peripherals	Computers: Laptops & Tablets Computer Peripherals: External Electronic Devices that can be used as input/ output sources	Maximum of 2 units in total and 1 unit of Peripherals
4	Confectionery	Chocolates and Sweets	Maximum of 5kg in total
5	Crockery	Porcelain Dinner Set	Maximum of 1 set of Dinner Wear
6	Food Items	Nuts, Dates, Dry Fruits, Cereal, Sauces, Spreads & Honey	Maximum of 2kg in total
7	Leather Accessories	Belts, Bags, Wallets & Shoes	Maximum of 16 units in total (maximum of 4 units of Belts or Bags or Wallets or Shoes)
8	Luggage	Travel Bags & Suitcases	Maximum of 2 units in total
9	Mobile Telephones & Accessories	-	Maximum of 2 units in total
10	Pens & Pen Accessories*	-	Maximum of 12 units
11	Perfume, Cosmetics & Make-Up	-	Maximum of 250ml of Perfume, Make-up Cosmetics and Accessories (2 units of each product, not each brand)
12	Small Electronic Items for Personal Use and Personal Care	Bluetooth Speakers, Headphones & Earphones, Shavers, Hair-dryers & Straighteners, Toothbrushes & Oral Care Devices, Health Massage Devices, Health Check Devices & Electronic Games Consoles	Maximum of 1 unit of each product type

SCHEDULE I (Contd.) Permitted Goods in Permitted Quantities			[regulation 5]
Column I	Column II	Column III	Permitted Quantities (Units of Sale)
Permitted Goods	Definition of Product Type (Permitted Quantity is limited to the Product Type Defined)		
13 Spirit, Wine & Beer**	-		Maximum of 2 litres of Spirits, not exceeding 2 litres of Wine and 2 litres of Beer**
14 Sunglasses & Eyewear	-		Maximum of 4 units in total
15 Tobacco**	Cigarettes & Cigars		Maximum of 1 Carton of Cigarettes (200 Cigarettes) & 1 Box of Cigars (Maximum 50) **
16 Toiletries & Baby Products	Toiletries: Hair, Face, Oral & Body Care Products for Men, Woman & Baby  Baby Products: Diapers/Pampers		Maximum of 0.5 litres of Toilet Water/Eau De Toilette, Maximum of 2 units of other toiletries each, Maximum of 24 pcs of Diapers/Pampers, not each brand
17 Toys	Dolls, Action Figures, Construction Toys, Electronic and Educational Toys		Maximum of 6 sets in total (Maximum of 2 sets of each type of Toys, not each brand)
18 Watches and Smart Bands	-		Maximum of 2 units in total
*	Only for departing passengers.		
**	As per the condition No. 7 of Schedule II to these regulations.		

[regulation 5]

Schedule II

Permitted Allowances

Column I	Column II	Column III	Column IV	Column V	Column VI
Details	Sri Lankan passport holders including Dual Citizens of Sri Lanka and Foreign passport holders with resident visa in Sri Lanka, who have returned to Sri Lanka with valid proof of arrival	Tourists who have a valid foreign passport and arrived in Sri Lanka, as approved by the Department of Immigration and Emigration	Sri Lankan passport holders including Dual Citizens of Sri Lanka and Foreign passport holders with resident visa in Sri Lanka who intend to travel overseas with valid travel documents	Persons residing outside Sri Lanka who intend to purchase Permitted Goods via the internet and have the Permitted Goods so purchased delivered to a place outside Sri Lanka	Diplomats and diplomatic organisations established and operating in Sri Lanka, as approved by the Ministry of Foreign Affairs
1	Duty Free Allowance Value in USD Annual limit of duty-free allowance is USD 2,000. <i>(All payments shall be made by using authorised digital or electronic payment instruments including Debit or Credit cards or QR Code. A permitted customer shall use his own digital or electronic payment instruments.)</i>	No annual value limit is applicable for the purchase of Permitted Goods specified in Schedule I. <i>(Permitted goods purchased by a tourist shall not be handed over to such tourist. Duty-free operators shall ensure that such goods are delivered to the Airport for collection by the tourist at the time of his departure from Sri Lanka.)</i>	No annual value limit is applicable for the purchase of Permitted Goods specified in Schedule I. <i>(Duty-free operators shall ensure that the Permitted Goods purchased by persons residing outside Sri Lanka are delivered to the relevant places outside Sri Lanka.)</i> <i>No person living in Sri Lanka shall be allowed to purchase Permitted Goods directly or indirectly and delivered to Sri Lanka)</i>	No annual value limit is applicable for the purchase of Permitted Goods specified in Schedule I.	As approved by the Ministry of Foreign Affairs
2	Permitted Quantity of the Permitted Goods (Refer to Schedule I)	No quantity limit is applicable in Permitted Goods as specified in Schedule I	No quantity limit is applicable.	No quantity limit is applicable.	Quantity limit is as approved by the Ministry of Foreign Affairs
3	Commencement of the Allowance	From the date of arrival to Sri Lanka (FDOA) within 4 days	Purchase to be completed prior to the date of travel	Post Registration as a Colombo Port City Duty Free Customer	As approved by the Ministry of Foreign Affairs
4	Validity Period of the Allowance	Annual Allowance from FDOA	Not Applicable	Not Applicable	As approved by the Ministry of Foreign Affairs
5	Purchase Period	Single visit within 4 days of FDOA	Purchase to be completed prior to the date of travel	Order can be placed after registration.	As approved by the Ministry of Foreign Affairs
6	Frequency of Visits (within the Purchase Period)	Annually a single visit within 4 days of FDOA	Purchase to be completed prior to the date of travel	Not Applicable	As approved by the Ministry of Foreign Affairs
7	Excess quantity purchases over the quantity limits specified in Schedule I	Not allowed	No quantity limit is applicable. <i>(Duty-free operators shall ensure that the purchased goods are delivered to the Airport for collection by the tourist at the time of his departure from Sri Lanka.)</i>	No quantity limit is applicable. <i>(Duty-free operators shall ensure that the goods purchased by persons residing outside Sri Lanka are delivered to the relevant places outside Sri Lanka.)</i>	As approved by the Ministry of Foreign Affairs
8	Whether the Permitted Customer can accompany the family members to the Colombo Port City Duty-Free	Only the Permitted Customer and one family member is allowed.	Only the Permitted Customer is allowed	Not Applicable	As approved by the Ministry of Foreign Affairs

CONDITIONS OF SALE PERTAINING TO PERMITTED ALLOWANCES SPECIFIED IN SCHEDULE II	
1.	The permitted goods, permitted quantities and the permitted duty-free allowance specified in the Schedule I and Schedule II to these regulations are applicable for usage by the permitted customer at the Colombo Port City Duty-Free.
2.	The duty-free allowance specified in Schedule II is valid only for one year from the First Date of Arrival to Sri Lanka (FDOA) and any unutilized allowance expires within one year from FDOA.
3.	The duty-free allowance specified in Schedule II is applicable for the Colombo Port City Duty-Free only, and it is independent of that of any other duty-free allowances in existence in Sri Lanka.
4.	The permitted customers specified in the heading to each column of Schedule II, shall bear the responsibility for their respective purchases of permitted goods and the quantities at the Colombo Port City Duty-Free, based on the applicable transit and final destination compliance requirements.
5.	Compliance with the requirements of the payment of all applicable local taxes and restrictions of the carriage during transit and at the final destination shall be the responsibility of the permitted customers.
6.	The permitted goods purchased by the permitted customers at the Colombo Port City Duty-Free shall not be re-sold or exchanged by the permitted customer and use by the permitted customer and his family members.
7.	The permitted customers shall be 18 years of age or above. Spirit, Wine and Beer as specified in Schedule I may be purchased by a customer of 18 years of age or above. However, tobacco as specified in Schedule I can only be purchased by a departing customer of 21 years of age or above; to be collected by such customer at the Airport at the time of his departure from Sri Lanka.
8.	No person other than the permitted customers shall be allowed to purchase permitted goods at the Colombo Port City Duty-Free.

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