

## ROLE OF THE CUSTOMS DEPARTMENT OF SRI LANKA



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The Sri Lanka Customs

Sri Lanka is in a prime location, lying in the middle of the major trade route and serving as a gateway to the Indian subcontinent and needed for it to develop into a key logistics hub in South Asia. Therefore it is an important transshipment hub in the region. It is a site where many shipping companies de-consolidate and consolidate cargo for transshipping to other destinations. With the increasing flow of transshipment cargo through the island, Sri Lanka is in a good position to further develop its logistics sector, providing integrated and high value-added services to international trading and transportation companies. To achieve this goal, overseas participation in the introduction of advanced technology and business know-how is essential

- Container Movement handled by SLPA.

	2014	2015	2016
Domestic	1,126,985	1,217,971	1,299,850
Transshipment	3,699,710	3,888,321	4,355,261

### Types of crafts calling in

- Sea Crafts for
- Transporting goods
  - Passenger Vessels
  - Warships
- Air Crafts
- Yachts ,(for pleasure,...etc. )
  - Passenger Crafts
  - Cargo carriers , ....etc.

## Types of cargo

- In general a vessel or an aircraft could have three types of cargo.
  - Cargo meant for other ports outside of Sri Lanka. –in transit cargo.
  - Cargo destined to another port through Sri Lanka as the craft will not be calling at the ultimate port of discharging .—Transshipment cargo. In terms of sec. 37 of the customs ordinance goods in transit & transshipped are allowed without payment of duty.
- Cargo meant for Sri Lanka

Cargo manifest ,Crew Manifest & last port clearance....etc.

## International trade

- International trade involves cross boarder buying & selling of goods & services. In international trade the contracting parties are generally unknown to each other & are domiciled in different countries, therefore their laws , customs & practices may differ.
- With the development of technology in communication & transport the problems are narrowed.

## Terms of delivery codes – INCOTERMS 2010

- In an international sale transaction, the seller's obligation is to deliver the merchandise & it's necessary to determine in advance the point up to which the seller should deliver the merchandise .this is known as the delivery point. ( place of delivery )The mutually agreed terms determining such point of delivery are known as "Terms of delivery".

Seller

Buyer



Pre carriage

Main carriage

On carriage

Buye

Export clearing

Import clearing

Delivery terms. - INCOTERMS 2010

The generally accepted term of delivery for customs duty purposes are CIF for imports & FOB for exports. (cage 20)

- Rules for any Mode or Modes of Transport
- EX work - EXW
- Free carrier - FCA
- Carriage paid to - CPT.
- Carriage & insurance paid to destination - CIP.
- Delivered at Terminal -DAT
- Delivered at Place -DAP
- Delivered Duty Paid . - DDP
  
- Rules for sea and INLAND Waterway Transport
- Free Alongside Ship -FAS
- Free On Board -FOB
- Cost and Freight -CFR
- Cost Insurance and Freight -CIF

Tax Base

- The majority of the rates published in the Tariff are based on the Value of the goods are known as “Ad-valorem rate”. A rate specifying a Levy, based on a specified quantity is known as a “Specific rate”. Sometimes the rate could be a combination of both. (except when provided otherwise, the Duty is to be paid at the higher rate Tariff Rates

## Other Related Laws

- 1.Revenue Protection act.
- 2.National security levy act.
- 3.Excise special Provisions act.
- 4.Stamp Duty act.
- 5.Value added Tax act.
- 6.Exchange control act.
- 7.Import & Export control act.
- 8.Fauna & Flora act.
- 9.Plant Protection act
10. Antiquities act.
- 11.Agricultural products ordinance
12. National Medicines Regulatory Authority Act.
13. Board of investment act.
- 14.Explosive act.
- 15.Firearms ordinance
16. Fisheries & aquatic resource act.
- 17.National Achieves act.
- 18.Obscene Publication ordinance
- 19.Poisons, Opium & Dangerous drugs ordinance
- 20.Quarantine & Prevention of Diseases ordinance
- 21.Rubber control act.
- 22.Sri Lanka Standards Institute act.
23. Sri Lanka Ports Authority act.
- 24.Tea control act.
- 25.Telecommunication act,
- 26.Food control act.
- 27.Evidence Ordinance,
- 28.Intellectual Property act.
- 29.Wild Life Ordinance,
- 30.Sri Lanka Atomic Energy Act.
- 31.National Environmental Act.
- 32.Consumer affairs authority Act.
- 33.Chemical Weapons Convention Act.

## Customs control on Transit & Transshipment of Goods

- The Transit & Transshipment goods shall be subjected for inspection by Sri Lanka Customs & when deemed necessary in accordance with section 37 of the Sri Lanka Customs Ordinance.  
(Gazette Notification No 1517/19 of 2007/10/03)
- It is the Responsibility of the Carrier to ensure that all goods not meant to be un-loaded (transit) or meant for destination outside Sri Lanka customs territory (transshipment) shall be reported to SL Customs in the manner laid down in section 28 of the SL Customs Ordinance.
- Sri Lanka Customs shall notify the local agent of a Ship or the local agent of the owner of the Ship to produce the relevant goods for inspection at a designated place.
- Simultaneously the respective Port Terminal Operator on whose Terminal the subject goods are lying is also be notified by SL Customs.
- It is the responsibility of the Agent with the coordination of the Terminal operator to produce the relevant goods to a designated place for inspection.
- Sri Lanka Customs shall issue clearance for reshipment after completing inspection process & if no incrimination is found.
- Goods which are prohibited, restricted and contrabanned of all description or any form of WMD or other goods that pose or likely to pose a threat to either human, plant or animal life or the environment or any other goods which, in the opinion of the Director General of Customs is incriminatory shall be seized and forfeited & shall be destroyed or disposed of or assigned to the appropriate authorities for action as Director General of Customs may direct.

