



PARLIAMENT OF THE DEMOCRATIC  
SOCIALIST REPUBLIC OF  
SRI LANKA

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CUSTOMS (AMENDMENT)  
ACT, No. 83 OF 1988

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[Certified on 20th December, 1988]

*Printed on the Orders of Government*

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L.D.—O. 7/87

AN ACT TO AMEND THE CUSTOMS ORDINANCE

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

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|---|--|
| 1. This Act may be cited as the Customs (Amendment) Act, No. 83 of 1988.  | Short title.   |
| 2. Section 4 of the Customs Ordinance (hereinafter referred to as "the principal enactment") is hereby amended by the substitution for the words "two hundred rupees" or "one thousand rupees", respectively of the words "ten thousand rupees".  | Amendment of section 4 of Chapter 235.               |
| 3. Section 6 of the principal enactment is hereby repealed and the following section substituted therefor :—<br><br>"Minister to determine hours of attendance.   | Replacement of section 6 of the principal enactment. |
| 6. (1) It shall be lawful for the Minister to determine in consultation with the Minister in charge of the subject of Public Administration the hours of general attendance and hours of special attendance of officers of customs and other persons employed in the service of customs at their proper offices and places of employment.<br><br>(2) The Principal Collector shall determine the proper offices and places of employment of officers of customs and such other persons referred to in subsection (1) :<br><br>Provided however that within a specified Port, as defined in the Sri Lanka Ports Authority Act, No. 51 of 1979, or an airport, proper offices and places of employment of officers of customs and such other persons referred to in subsection (1) shall be determined by the Principal Collector in consultation with the authority in charge of such port or airport.". |  |

**Insertion of new sections 6A and 6B in the principal enactment.**

**4.** The following new sections are hereby inserted immediately after section 6, and shall have effect as sections 6A and 6B of the principal enactment:—

**"Payment for special service or attendance.**

**6A.** Where any person requires—

(a) any service which is determined by the Minister as a special service; or

(b) the attendance of any officer of Customs at any office or place other than his proper office or place of employment,

payment shall be made for such service or attendance, as the case may be, to the Principal Collector by such person at such rates as may be specified by the Principal Collector.

**Persons to provide accommodation and shelter for officers of customs.**

**6B.** Notwithstanding anything in any other law, it shall be the duty of every authority of any Port or of every person in charge of any place or warehouse which requires the attendance or services of officers of customs, or any person employed in the service of customs, to provide suitable shelter and accommodation in such Port, warehouse or place, as the case may be, for the use of the customs.”.

**Amendment of section 8 of the principal enactment.**

**5.** Section 8 of the principal enactment is hereby amended in subsection (2) of that section by the substitution for the words “one thousand rupees”, of the words “twenty-five thousand rupees”.

**Insertion of new section 8A in the principal enactment.**

**6.** The following new section is hereby inserted immediately after section 8, and shall have effect as section 8A, of the principal enactment—

**"How Judge to deal with witness who makes a contradictory statement.**

**8A.** (1) If in the course of a trial for an offence under this Ordinance any witness shall on any material point contradict either expressly or by necessary implication a statement previously made and signed by him, before any officer of customs or person referred to in section 8, in the course of any

investigation into such offence under this Ordinance, it shall be lawful for the presiding Judge if he considers it safe and just in all the circumstances—

(a) to act upon the statement given by the witness in the course of the investigation, if such statement is corroborated in material particulars by evidence from an independent source; and

(b) to have such witness at the conclusion of such trial arraigned and tried on an indictment which shall be prepared and signed by the Registrar of such court, for intentionally, giving false evidence in a stage of a judicial proceeding.

(2) At any trial under paragraph (b) of subsection (1) it shall be sufficient to prove that the accused made the contradictory statements alleged in the indictment and it shall not be necessary to prove which of such statements is false.

(3) The presiding Judge may, if he considers it expedient, adjourn the trial of any witness under paragraph (b) of subsection (1) for such period as he may think fit and in any such case the accused shall be remanded until the conclusion of such trial.”.

7. Section 9 of the principal enactment is hereby repealed and the following section substituted therefor:—

“Power of  
Collector to  
call for  
documents  
or  
samples of  
articles.

9. (1) The Collector or any officer of customs authorized in that behalf by him may for the purpose of ascertaining or verifying any matter relative to the customs or with regard to any matter into which it is his duty to inquire under this Ordinance, by written order require any person to give information or produce for examination such books and documents or samples of any article with regard to any matter relative to the customs or the subject of inquiry which are in such person's power to give or

Replacement  
of section 9  
of the  
principal  
enactment.

produce at such place and within such period as may be specified in such order and allow such officer to examine, take extracts and copies of such books, documents and samples of articles, as the case may be.

- (2) Any person who is required, for purposes of this section, to answer any question put to him by any officer of customs, or to give any information which may be required of him by such officer and which it is in his power to give and who—
- (a) refuses to answer such question;
  - (b) wilfully makes a false answer thereto;
  - (c) refuses to give such information;
  - (d) furnishes any information which he knows or has reason to believe to be false; or
  - (e) without reasonable cause fails to comply with any order issued under subsection (1),

shall be guilty of an offence and shall be liable on conviction to a fine not exceeding twenty-five thousand rupees or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.”.

**Insertion of  
new sections  
9A, 9B, and 9C  
in the  
principal  
enactment.**

8. The following new sections are hereby inserted immediately after section 9, and shall have effect as sections 9A, 9B and 9C of the principal enactment :—

“Service of notice.

9A. Any notice, order or other document required to be served on any person under this Ordinance or any regulations made thereunder may be served by post under registered cover, and if so served, shall be deemed to have been served at the time when the letter containing the same would be delivered in the ordinary course of post, and in proving such service, it shall be sufficient to prove that the notice, order or other document was properly addressed and put into the post.

Presumption  
as to  
documents  
in certain  
cases.

9B. When a document which appears to have been made in the ordinary course of business having regard to the nature of such business and is not otherwise open to suspicion by reason of alterations or other circumstances—

- (i) is produced by any person or has been seized from the custody or control of any person, under this Ordinance, or
- (ii) has been received from any place outside Sri Lanka in the course of investigation of any offence alleged to have been committed by any person under this Ordinance,

and such document is tendered in evidence, the court shall, unless the contrary is proved—

- (a) presume, that the signature and every other part of such document which purports to be in the hand-writing of any particular person or which the court may reasonably assume to have been signed by, or to be in the hand-writing of any particular person, is in the hand-writing of that person and in the case of a document executed or attested, that it was executed or attested, by the person by whom it purports to have been executed or attested ; and
- (b) as regards a document referred to in paragraph (i), presume the truth of the contents of such documents.

Translation  
in the  
official  
language,  
national  
language, or  
English  
language to  
be produced.

9C. (1) Where any document required for the purpose of this Ordinance is written in a language other than the official language, national language or the English language, the person producing or using such document may be required to produce therewith a correct translation thereof in the official language, national language or the English language.

To produce copies of documents as required.

(2) Where any person is required to produce any document for the purposes of this Ordinance, the customs officer may require such person to produce as many copies thereof as the customs officer may deem necessary for the purposes of this Ordinance.

(3) Where a customs officer requires any invoice and/or any other document to be produced for any goods which have been imported, exported, entered for export or entered in transit, he may require such invoice and/or document to be submitted in original and may require him to submit as many copies thereof as may be necessary for the purposes of this Ordinance and he may retain such copies.”.

**Insertion  
of new  
section  
10A in the  
principal  
enactment.**

“Surcharge  
to be  
levied on  
imported  
goods,  
where  
expedient.

9. The following new section is hereby inserted immediately after section 10, and shall have effect as section 10A, of the principal enactment :—

10A. (1) In addition to any duties leviable under this Ordinance, the Minister may, with the approval of the Cabinet of Ministers, by Order published in the *Gazette*, levy a surcharge on the customs duty payable on such imported goods as are specified in such Order, at such rates and for such periods as are specified in such Order, if he deems it expedient in the interest of the national economy to do so.

(2) Every Order made by the Minister under subsection (1) shall come into force on the date of such Order. Every such Order shall be published in the *Gazette* and shall, as soon as may be after its publication in the *Gazette* be tabled in Parliament. Parliament may by resolution revoke any Order made by the Minister under this section within sixty days of the publication of such Order in the *Gazette*, and in the computation of such period of sixty days no account shall be taken of any period during which Parliament stands prorogued or dissolved. Where any such Order is revoked any sum paid in pursuance of such order shall be refunded.”.

10. Section 17 of the principal enactment is hereby repealed and the following section substituted therefor:—

"Duties to be paid in Sri Lanka currency according to units of measurement of the Republic.

Conversion of foreign currency to currency values of the Republic.

Produce of customs duties to be paid into the Consolidated Fund.

11. Section 18 of the principal enactment is hereby amended by the repeal of the proviso to subsection (3) of that section.

12. The following new section is hereby inserted immediately after section 18, and shall have effect as section 18A, of the principal enactment:—

"Proceedings for recovery of duties, dues or other charges short levied &c. before a Magistrate.

17. (1) All duties of customs, as well as all penalties and forfeitures incurred under this Ordinance, shall be paid and received in the currency of the Republic of Sri Lanka and according to the units of measurement of the Republic.

(2) For the purpose of subsection (1), conversion of foreign currency values to the currency values of the Republic of Sri Lanka shall be made in accordance with the rates of exchange as determined by the Principal Collector and published from time to time having regard to the parity rates as are specified by the Central Bank of Sri Lanka.

(3) The produce of all duties of customs shall be paid by the Collector into the Consolidated Fund of the Republic of Sri Lanka".

Replacement of section 17 of the principal enactment.

Amendment of section 18 of the principal enactment.

Insertion of new section 18A in the principal enactment.

18A. (1) Where the Principal Collector is of opinion in any case that recovery under section 18, of any duties, dues or other charges omitted to be levied, short levied, erroneously refunded or rebated or paid on a fraudulent claim, is impracticable or inexpedient, he may issue a certificate containing particulars of such duties, dues or other charges as contained in the demand under subsection (2) of section 18, and the name and last known place of business or residence of the defaulter to a Magistrate having jurisdiction in the division in which such place is situate. The Magistrate shall thereupon summon such defaulter before him to show cause why further proceedings for the

recovery of the duties, dues or other charges should not be taken against him, and in default of sufficient cause being shown, such duties, dues or other charges shall be deemed to be a fine imposed by a sentence of the Magistrate on such defaulter for an offence punishable with fine only or not punishable with imprisonment, and the provisions of subsection (1) of section 291 (except paragraphs (a), (d) and (i) thereof) of the Code of Criminal Procedure Act, No. 15 of 1979, relating to default of payment of a fine imposed for such an offence shall thereupon apply and the Magistrate may make any direction which, by the provisions of that subsection, he could have made at the time of imposing such sentence.

(2) The correctness of any statement in a certificate issued by the Principal Collector for the purposes of subsection (1) shall not be called in question or examined by the Magistrate in any proceeding under this section and accordingly, nothing in that subsection shall be read and construed as authorizing a Magistrate to consider, or decide, the correctness of any statement in such certificate.

(3) Nothing in subsections (2) to (5) of section 291 of the Code of Criminal Procedure Act, No. 15 of 1979, shall apply in any case referred to in subsection (1) of this section.

(4) In any case referred to in subsection (1) in which the defaulter is sentenced to imprisonment in default of payment of the fine deemed by that subsection to have been imposed on him, the Magistrate may allow time for the payment of the amount of that fine or direct payment of that amount to be made in instalments.

(5) The Court may require bail to be given as a condition precedent to allowing time under subsection (1) for showing cause as therein provided or under subsection (4) for the payment of the fine; and the provisions of Chapter XXXIV of the Code of

Criminal Procedure Act, No. 15 of 1979, shall apply where the defaulter is so required to give bail.

(6) Where a Magistrate directs under subsection (4), that a payment be made in instalments and default is made in the payment of any one instalment, proceedings may be taken as if default had been made in payment of all the instalments then remaining unpaid.

(7) In any proceedings under subsection (1), the Principal Collector's certificate shall be sufficient evidence that the duties, dues or other charges are in default, and any plea that such duties, dues or other charges are incorrect shall not be entertained.”.

**13. Section 19 of the principal enactment is hereby repealed and the following section substituted therefor :—**

“Power of Minister to exempt Diplomatic personnel &c. from payment of customs duties subject to certain conditions.

Replacement of section 19 of the principal enactment.

19. (1) The Minister may from time to time, by Order published in the *Gazette*, exempt goods consigned to, or imported or cleared out of bond by or for the use of the representative in Sri Lanka (by whatsoever name, title or designation called) of the Government of any foreign State, the Trade Commissioner in Sri Lanka of any such Government, and persons on the staff of any such representative or Commissioner named in such Order and the representatives of the United Nations or its affiliates and such other international organizations, institutions or bodies from payment of customs duty.

(2) The Minister may, in his discretion, by such Order—

(a) prescribe the conditions, if any, subject to which the exemption is allowed;

(b) extend such exemption to goods consigned to, or imported by or for the use of the families and suites of such officers;

(c) limit the exemption to a grade or class of persons referred to in subsection (1) of any specified country or organization and to articles of any specified description.

(3) Any Order under the preceding provisions of this section shall, if so expressed be deemed to have had effect from such date prior to the making of the order as may be specified therein.

(4) The Minister may at his discretion, by Order published in the *Gazette*, withdraw or modify any exemption granted under this section, or vary the conditions subject to which the exemption is allowed.

(5) No Order made under this section shall have effect unless it has been approved by Parliament, by resolution.

(6) Notwithstanding anything in any Order under the preceding provisions of this section, no goods to which such Order applies may be sold or otherwise disposed of, without the prior permission of the Principal Collector and unless the duties payable on such goods as determined in accordance with the value of such goods and rates of duty applicable at the time of such sale or disposal, are paid to the Principal Collector. Any goods sold or disposed of in contravention of the preceding provisions of this subsection shall be liable to be forfeited.”.

Replacement  
of section  
20 of the  
principal  
enactment.

14. Section 20 of the principal enactment is hereby repealed and the following section substituted therefor :—

Imports by  
President of  
the Republic  
exempt  
from import  
duties of  
customs.

20. Articles of every description imported or cleared from bond for the official use of the President of the Republic of Sri Lanka shall not be liable to the payment of import duties.”.

15. Section 22 of the principal enactment is hereby repealed and the following section substituted therfor:—

"Draw-backs on re-exportation.

22. (1) Where any goods capable of being easily identified which have been imported from any foreign port, and upon which customs duties have been paid, are re-exported to any foreign port, a sum not exceeding nine-tenths of such duties may, be repaid as drawback:

Replacement of section 22 of the principal enactment.

Provided that in every such case—

- (a) the goods are identified to the satisfaction of the Principal Collector, or such other officer authorized in that behalf;
- (b) there has been no change of ownership of the goods;
- (c) the re-export must be made within one year from the date of importation as shown by the records of the customs office, unless such period is specially extended by the Principal Collector, if he considers that the re-export was prevented due to circumstances beyond the control of the importer;
- (d) no drawback will be allowed on goods (other than goods imported through the post by any person for his personal use) on which the import duty paid does not exceed one hundred rupees;
- (e) the claim for drawback must be established at the time of re-export, and payment must be demanded within six months from the date of entry for shipment;
- (f) when a drawback is allowed on the re-export of goods imported the amount so allowed as drawback shall not exceed nine-tenths of the duty paid or payable at the time of importation thereof, notwithstanding the variation in the rates of duty or the rates of exchange.

(2) Where however, the customs duties have not been paid, the Principal Collector may, if he is satisfied that the conditions specified in paragraphs (a), (b) and (c) of sub-section (1) have been complied with, permit the re-export of such goods on payment of one-tenth of the duty that would have been payable at the time of import.”.

Insertion  
of new  
section  
22A in the  
principal  
enact-  
ment.

16. The following new section is hereby inserted immediately after section 22, and shall have effect as section 22A, of the principal enactment :—

“ Importa-  
tion  
without  
payment  
of duty.

22A. (1) The Principal Collector or such other officer authorized in that behalf shall and subject to such terms and conditions as may be prescribed by the Minister from time to time allow importation of articles which are intended to be re-exported without payment of import duty.

(2) Where goods manufactured or processed in Sri Lanka containing as a part or ingredient thereof any material imported and upon which import duty has been paid or secured are exported, refund or rebate of the whole or part of the import duty actually paid or secured in respect of such quantity of the raw material or articles as may appear to the satisfaction of the Principal Collector to have been used in the manufacture or processing of the goods shall be allowed upon such terms, and subject to such conditions, as may be prescribed by the Minister.

(3) The provisions of subsection (2) shall apply only to such goods as may from time to time be prescribed by the Minister by Notification to be published in the *Gazette* having regard to the economic development of the country.

(4) Drawback or rebate of the duty paid or secured in the case of plant, machinery and equipment imported for use in projects and ventures approved by the Minister, having regard to the economic development of the country and subject to such terms and conditions shall be allowed, on re-export, by

the Minister at such rates as he may prescribe, having regard to the duration of use, depreciation in value and such other circumstances relating to such plant, machinery or equipment.

**Drawback  
of export  
duties.**

(5) Where any class or description of goods manufactured or produced in Sri Lanka are exported to any place outside Sri Lanka and are thereafter re-imported, a drawback of the export duties of customs paid at the time of export under this Ordinance shall be allowed in full or part in respect of such goods upon such terms and conditions as may be prescribed by the Minister having regard to the period within which such goods are re-imported.

**Penalty for  
fraudulent  
claims.**

(6) Every person concerned in making any fraudulent claim for drawback or rebate of duty shall at the election of the Collector be liable to a penalty not exceeding one hundred thousand rupees or three times the value of such goods on which such claim is made.”.

17. Section 27 of the principal enactment is hereby amended by the substitution for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Amend-  
ment of  
section 27  
of the  
principal  
enact-  
ment.

18. Section 28 of the principal enactment is hereby amended by the substitution, for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Amendment  
of section  
28 of the  
principal  
enactment.

19. Section 29 of the principal enactment is hereby amended by the substitution, for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Amendment  
of section  
29 of the  
principal  
enactment.

20. Section 30 of the principal enactment is hereby amended by the substitution, for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Amendment  
of section  
30 of the  
principal  
enactment.

21. Section 31 of the principal enactment is hereby amended by the substitution for the words “one thousand rupees”, of the words “ten thousand rupees”.

Amendment  
of section  
31 of the  
principal  
enactment.

Replacement  
of  
section 32  
of the  
principal  
enactment.

22. Section 32 of the principal enactment is hereby repealed and the following section substituted therefor :—

"Penalty  
on master  
not having  
clearance  
and if  
cargo do  
not cor-  
respond  
with ship's  
papers, or  
if goods  
sent out of  
vessels be  
not landed  
at the  
appointed  
places.

32. If any ship shall arrive at any port in Sri Lanka without clearance or other paper which it is usual to grant at the place or places from which such ship shall have come, the master shall be liable to a penalty not exceeding twenty-five thousand rupees or if any goods entered on any clearance, or other paper granted at the place from which any ship shall have come, shall not be found on board such ship, or if the quantity found be short, and the deficiency be not duly accounted for, or if goods sent out of the ship be not landed at the appointed places, the master shall, in respect of any goods which are missing or deficient and not accounted for, be liable, if such goods are chargeable with duty, and if such duty can be ascertained, to a penalty of twenty-five thousand rupees or a sum not exceeding the amount of the duty chargeable thereon, whichever is the greater amount, or if such duty cannot be ascertained or if such goods are not chargeable with duty, to a penalty not exceeding ten thousand rupees for each missing or deficient package, and the Collector is authorized to require the payment of such penalty, and to decline the granting of clearance outwards to the master of any vessel so liable, and refusing to pay such penalty :

Provided always that nothing herein contained shall be construed to prevent the Collector from accepting an explanation in the absence of clearance, or permitting at his discretion the master of any ship to amend obvious errors or to supply omissions from accidents or inadvertance, by furnishing an amended report, or accepting at his discretion an estimated single duty in respect of any class of goods. ".

23. Section 33 of the principal enactment is hereby amended by the substitution, for the words "two thousand rupees", of the words "one hundred thousand rupees".

Amendment  
of section  
33 of the  
principal  
enactment.

24. Section 37 of the principal enactment is hereby repealed and the following section substituted therefor:—

"Goods in  
transit  
and goods  
transhipped  
allowed  
without  
payment  
of duty.

37. (1) Any goods in a vessel being goods mentioned in the import manifest as goods intended for transit in the same vessel to any port outside Sri Lanka may be allowed to be so transmitted without payment of duty.

Replace-  
ment of  
section 37  
of the  
principal  
enactment.

(2) No transhipment of any goods shall be made without payment of duty except by the special order of the Collector or other proper officer, and after due entry of the goods and subject to such conditions as may be prescribed by the Minister. If any goods are transhipped, or attempted to be removed from one vessel to another contrary to the provisions of this section, such goods, together with the boat and other means used for conveying the same, may be seized and shall be liable to forfeiture."

25. Section 38 of the principal enactment is hereby amended by the substitution for the words "two thousand rupees", of the words "ten thousand rupees".

Amendment  
of section  
38 of the  
principal  
enactment.

26. Section 45 of the principal enactment is hereby repealed.

Repeal of  
section 45  
of the  
principal  
enactment.

27. Section 47 of the principal enactment is hereby repealed and the following section substituted therefor:—

"Importer  
to deliver  
bill of  
entry  
together  
with  
other  
documents.

47. The person entering any goods inwards, whether for payment of duty or to be warehoused, or for payment of duty upon the taking out of the warehouse, or whether such goods be free of duty, shall deliver to the Collector a bill of entry of such goods, on

Replace-  
ment of  
section 47  
of the  
principal  
enactment.

a form of such size and colour as may be specified in that behalf by the Collector by Notification published in the *Gazette*, and be fairly written in words at length, expressing the name of the ship, and of the master of the ship in which the goods were imported, and of the place from which they were brought, and the description and situation of the warehouse, if they are to be warehoused, and the name of the person in whose name the goods are to be entered, and the quantity, value and description of the goods, and the number, dimensions, and denomination or description of the respective packages containing the goods, and such other particulars as the Collector by that or a subsequent Notification may require him to furnish, and in the margin of such bill shall delineate the respective marks and numbers of such packages. The particulars furnished in the bill of entry shall be supported by such documents containing such particulars as the Collector may, by Notification published in the *Gazette*, require. If such person fails to deliver a bill of entry prepared, and supported by such documents, as aforesaid, he shall be liable to a penalty not exceeding one thousand rupees. Such person shall pay any duties and dues which may be payable upon the goods mentioned in such entry; and such person shall also deliver at the same time two or more duplicates of such bill, in which bill all sums and numbers shall be expressed in figures, and the particulars to be contained in such bill shall be legibly written and arranged in such form and manner, and the number of such duplicates shall be such, as the Collector shall require, and such bill of entry when signed by the Collector, or person

authorized by him, and transmitted to the proper officer, shall be the warrant to him for the examination and delivery of such goods ; but if such goods shall not agree with the particulars in the bill of entry the same shall be forfeited, and such forfeiture shall include all other goods which shall be entered or packed with them as well as the packages in which they are contained. ”.

28. The following new section is hereby inserted immediately after section 50, and shall have effect as section 50A of the principal enactment :—

“Action applicable to goods exempted from customs duties and other dues conditionally.

Insertion of new section 50A in the principal enactment.

50A. (1) Where any goods imported into Sri Lanka have been—

- (a) exempted from the payment of customs duties or other dues chargeable on their importation or charged with customs duty at reduced rate, subject to any conditions stipulated in that behalf ; or
- (b) allowed into Sri Lanka, under any other law subject to any conditions to be fulfilled after their importation,

and where such conditions are not complied with, then such goods shall be forfeited.

(2) If such goods are not at the time of forfeiture in the possession of the person in whose name such goods were imported, then such person shall forfeit a sum not exceeding three times the value of such goods as at the time of their importation.

(3) The provisions of this section shall apply whether or not any undertaking or security has been given under any other provisions of this Ordinance for compliance with the conditions stipulated or for the payment of the duty payable and the forfeiture of any goods under this section shall not affect any liability of any person who has given any such undertaking or security. ”.

Replace-  
ment of  
section 51  
of the  
principal  
enactment.

**29.** Section 51 of the principal enactment is hereby repealed and the following section substituted therefor :—

“Value of  
goods for  
the purpose  
of *ad  
valorem*  
duties.”

51. In all cases when the duties imposed upon the importation of articles are charged according to the value thereof, the respective value of each such article shall be stated in the entry together with the description and quantity of the same, and duly affirmed by declaration by the importer or his agent, and such value shall be determined in accordance with the provisions of Schedule E, and duties shall be paid on a value so determined.”.

Replace-  
ment of  
section 52  
of the  
principal  
enactment.

**30.** Section 52 of the principal enactment is hereby repealed and the following section substituted therefor :—

“Forfeiture  
for non-  
compliance  
or false  
declaration.  
Forfeiture  
of value  
where  
goods not  
recoverable.

52. Where it shall appear to the officers of the customs that the value declared in respect of any goods is not in accordance with the provisions of Schedule E, the goods in respect of which such declaration has been made shall be forfeited together with the package in which they are contained. Where such goods are not recoverable, the person making such false declaration shall forfeit either treble the value of such goods or be liable to a penalty of two thousand rupees, at the election of the Collector of Customs.”.

Replace-  
ment of  
section 54  
of the  
principal  
enactment.

**31.** Section 54 of the principal enactment is hereby repealed and the following section substituted therefor :—

“Bill of  
store may  
be issued  
by the  
proper  
officer.

Agent to  
declare  
name of  
employer.

54. The person in whose name any goods reimported were entered for exportation shall deliver to the proper officer of customs an exact account signed by him of the particulars of such goods referring to the entry and clearance outwards, and to the return inwards of the same, with the marks and numbers of the packages, both inwards and outwards ; and thereupon the officer finding that such goods had been legally exported shall grant a bill of store for the same and if the person in whose name such goods were entered for exportation was not the proprietor thereof, but his agent, he shall declare in such bill of store the name of the person

Consignee  
to declare  
who is  
proprietor.

Prop-  
rietor to  
declare to  
identity  
and prop-  
rietor un-  
changed.  
The entry  
by bill  
of store  
to be  
granted.

Conditions  
for grant  
of bill  
of store.

by whom he was employed as such agent, and if the person to whom such returned goods are consigned shall not be such proprietor and exporter, he shall make and subscribe a declaration in such bill of store of the name of the person for whose use such goods have been consigned to him, and the real proprietor ascertained to be such shall make and subscribe a declaration upon such bill of store to the identity of the goods so exported and so returned, and that he was at the time of exportation and of re-importation the proprietor of such goods, and that the same had not during such time been sold or disposed of to any other person, and such declaration shall be made before the Collector and thereupon the Collector, shall admit such goods to entry by bill of store, and grant his warrant accordingly:

Provided that in any case where at the time of exportation of the goods, drawback or rebate of any customs duty levied was allowed or where the goods were exported from bond without payment of the customs duty upon first entry, the customs duty equal to the amount of such drawback or rebate and the duty if any that would have been payable on such goods or such part of the goods as may have been used in the manufacture of the article imported shall have to be paid."

32. Section 56 of the principal enactment is hereby amended by the substitution for the words "one thousand rupees", of the words "ten thousand rupees".

Amendment  
of section  
56 of the  
principal  
enactment.

33. Section 57 of the principal enactment is hereby amended by the substitution for the words "one hundred rupees", of the words "one thousand rupees".

Amendment  
of section  
57 of the  
principal  
enactment.

34. Section 59 of the principal enactment is hereby amended by the substitution for the words "two thousand rupees", of the words "one hundred thousand rupees".

Amendment  
of section  
59 of the  
principal  
enactment.

Amendment  
of section  
62 of the  
principal  
enactment.

35. Section 62 of the principal enactment is hereby amended by the substitution for the words "four hundred rupees", of the words "five thousand rupees".

Amendment  
of section  
63 of the  
principal  
enactment.

36. Section 63 of the principal enactment is hereby amended by the substitution for the words "two thousand rupees", of the words "one hundred thousand rupees".

Amendment  
of section  
64 of the  
principal  
enactment.

37. Section 64 of the principal enactment is hereby amended by the substitution for the words "four hundred rupees", of the words "five thousand rupees".

Amendment  
of section  
67 of the  
principal  
enactment.

38. Section 67 of the principal enactment is hereby amended by the substitution for the words "two thousand rupees", of the words "one hundred thousand rupees".

Amendment  
of section  
68 of the  
principal  
enactment.

39. Section 68 of the principal enactment is hereby amended in subsection (6) of that section by the substitution for the words "two thousand rupees", of the words "ten thousand rupees".

Replace-  
ment of  
section 69  
of the  
principal  
enactment.

"Power  
to appoint  
warehouses  
for ware-  
housing  
of goods.

40. Section 69 of the principal enactment is hereby repealed and the following section substituted therefor:—

69. The Principal Collector may, from time to time by notice in writing under his hand, appoint warehouses or places of security for the purposes of this Ordinance and direct in what different parts or divisions of such warehouse or places, and in what manner, and under what regulations, any and what short of goods may be warehoused, kept, and secured without payment of duty upon the first entry thereof, and may having regard to the nature and the value of the goods to be warehoused also direct in what cases, and with what sureties, and to what amount, security by bond or such other security shall be required in respect of any warehouse so appointed as aforesaid, or in respect of any goods deposited therein, or for the security of the duties due thereon; and the Principal Collector, may having regard to the safety and the security of the goods to be warehoused therein, by a like notice revoke or alter any such appointments or declarations; but every such notice of the

appointment of warehouses, or of the revocation thereof, shall be subject to the Minister's approval and shall be published in such manner as he may direct :

Appoint-  
ment of  
warehouses  
in  
specified  
ports.

Provided however that the appointment of any warehouse or place of security within a specified port as defined in the Sri Lanka Ports Authority Act, No. 51 of 1979, or within an airport shall be with the concurrence of the Sri Lanka Ports Authority established by the Sri Lanka Ports Authority Act or of the authority in charge of such airport, as the case may be.”.

**41.** Section 70 of the principal enactment is hereby repealed and the following section substituted therefor :—

“Warehouse  
Keeper  
to give  
security as  
required  
by the  
Collector.

70. The proprietor or occupier of every warehouse approved of and appointed as aforesaid, or someone on his behalf, shall give or procure to be given security by bond with or without sureties, or such other security as the Collector may approve, for the payment of the full duties of importation on or for the due entry for exportation or for exportation after any process of manufacture or assembly as provided for in section 84 of all such goods as shall at any time be warehoused therein and no goods shall be warehoused in any such warehouse until such security shall have been given.”.

Replacement  
of section  
70 of the  
principal  
enactment.

**42.** Section 74 of the principal enactment is hereby repealed and the following section substituted therefor :—

“Goods  
ware-  
housed to be  
marked  
and num-  
bered &c.

74. All goods so entered to be warehoused shall before deposit in any warehouse be properly marked and numbered by the importer in legible characters with the initials of the owner, importer or consignee or other distinguishing marks, and the goods shall be stowed so as to afford easy access thereto, and to every package or parcel in such parts or division of the warehouse, and in such manner as the Collector or the proper officer shall direct, and if the stowage be broken the goods shall be re-piled by the person breaking such stowage in such manner as the Collector may require, and

Replace-  
ment of  
section 74  
of the  
principal  
enactment.

Stowage  
of goods  
ware-  
housed.

Penalty.	the neglect or refusal to stow or re-pile them as hereinbefore directed shall subject the occupier of the warehouse, or the person so contravening, to a penalty not exceeding ten thousand rupees. The warehouse shall be locked and secured in such manner, and shall be opened on such days and during such hours as the Collector may from time to time prescribe, and visited only at such times and in the presence of such officers, and under such regulations as the Collector shall direct and all such goods shall, after being landed upon importation, be carried to the warehouse, or shall after being taken out of the warehouse for exportation or for stores, be carried to be shipped, under such regulations as the Collector shall direct.”.
Locking and opening ware- houses.	
Carrying goods to and from ware- houses.	

Amendment  
of section  
76 of the  
principal  
enactment.

43. Section 76 of the principal enactment is hereby amended by the substitution for the words “one hundred rupees”, of the words “five thousand rupees”.

Amendment  
of section  
77 of the  
principal  
enactment.

44. Section 77 of the principal enactment is hereby amended by the substitution for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Amendment  
of section  
78 of the  
principal  
enactment.

45. Section 78 of the principal enactment is hereby amended by the substitution for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Insertion  
of new  
sections  
84A and  
84B in the  
principal  
enactment.

46. The following new sections are hereby inserted immediately after section 84, and shall have effect as sections 84A and 84B of the principal enactment :—

“Processing  
including  
manufac-  
ture or  
assembly  
of goods  
in ware-  
houses.

84A. (1) It shall be lawful for the Principal Collector in the interest of economic development of the country to permit the processing including manufacture or assembly of goods in any warehouse appointed under section 69 of this Ordinance.

(2) No goods which have undergone any processing including manufacture or assembly in such warehouse may be released for home use or for export without the prior approval of the Collector.

(3) Where such goods are released from such warehouse for home use the duties thereon shall be calculated and paid on that as if such goods had been imported at the time of such release.

Treatment  
of waste,  
refuse of  
goods con-  
sumed in  
manu-  
facture.

(4) Where goods liable to duties have been wasted or have become refuse or have been consumed in the course of processing permitted under subsection (1), the Principal Collector may remit duties in respect of such part of the goods as represent such waste, refuse or goods consumed as the case may be:

Provided that if such waste or refuse is destroyed subject to such conditions as the Principal Collector may impose, no duty shall be charged or duty is paid on such waste or refuse, as if it had been imported in that form if taken for home use.

Conditions,  
fees and  
charges.

(5) The Minister may make regulations with regard to the conditions under which a permit to a manufacturer or a sub-contractor referred to in section 84B is to be granted and the fees and charges leviable for such permit.

Manufac-  
turer  
permitted  
to sub-  
contract  
under  
certain  
conditions.

84B. (1) Any manufacturer permitted to process including manufacture or assembly of goods in any warehouse appointed under section 69 of this Ordinance may sub-contract with another person to process including manufacture or assembly in any workshop or premises which is not appointed a warehouse under this Ordinance if the Principal Collector is satisfied—

(i) that the said workshop or premises is registered with him for the purpose of such work;

(ii) that the workshop or premises has the capacity to undertake the required sub-contracting work;

(iii) that there is a written agreement between the manufacturer and the person with whom the sub-contracting has been made, and that the agreement has been approved by him.

(2) Where any manufacturer is permitted to process by means of sub-contracting as provided for in subsection (1), the provisions of section 84A shall, *mutatis mutandis*, apply to any goods so processed.

(3) Notwithstanding that the manufacturer sub-contracts as aforesaid, the manufacturer shall be liable, in addition to any other liabilities under this Ordinance including forfeitures and penalties, for any duties or other charges which may occur due to loss or damage of the material or finished products outside the warehouse of the manufacturer during such sub-contracting operations.”.

Replacement of section 85 of the principal enactment.

47. Section 85 of the principal enactment is hereby repealed and the following section substituted therefor :—

“Entry for exportation, re-warehousing or home use.

85. No warehoused-goods shall be taken or delivered from the warehouse, except upon due entry, for exportation, or to be shipped as stores, or to be removed from one warehouse to another, or on payment of the full duties thereon for home use subject to such conditions as the Collector may prescribe”.

Replacement section 89 of the principal enactment.

48. Section 89 of the principal enactment is hereby repealed and the following section substituted therefor :—

“On entry outward, bond for due shipment and landing to be given when required.

89. Before any warehoused-goods subject to duties of customs shall be permitted to be exported, the exporter or his agent shall where required by the Collector having regard to the demand for, and the value of, goods to be exported, give security by bond in such sum as may be determined by him subject to such conditions as may be prescribed by such Collector having regard to the nature and the value of the goods to be shipped and exported that such goods

shall be duly shipped and exported, and shall be landed at the place for which they are entered outwards or otherwise accounted for, to the satisfaction of the Collector, and shall, if required, produce a certificate under the hands of the proper officers at the port of landing, of the due landing of the goods at such port as aforesaid.”.

49. Section 96 of the principal enactment is hereby amended by the substitution for the words “one hundred rupees”, of the words “one hundred thousand repees”.

Amendment  
of section  
96 of  
the principal  
enactment

50. Section 100 of the principal enactment is hereby amended by the substitution for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Amendment  
of  
section 100 of  
the principal  
enactment

51. The following new section is hereby inserted immediately after section 100, and shall have effect as section 100A of the principal enactment :—

“Warehousing  
of duty  
paid goods  
and goods  
of local  
origin.

100A. (1) Notwithstanding the provisions of Part II of this Ordinance, it shall be lawful for the Collector to permit in any warehouse appointed under section 69 and in which processing has been permitted under section 84A of this Ordinance warehousing of goods imported and upon which duty had been previously paid or goods of local origin, for use, along with goods ware-housed without payment of duty on first entry, for the purpose of processing including manufacture, assembly or packing of goods under such regulations as may be prescribed by the Principal Collector.

Insertion of  
new section  
100A in the  
principal  
enactment.

(2) Any goods found in any such warehouse which are not duly accounted for by the owner of such goods to the satisfaction of the Collector shall be forfeited.

(3) The provisions of sections 69 to 100 of this Ordinance shall, *mutatis mutandis*, apply to all goods referred to in subsection (1).”.

**"Regulations.**  
section 101 of  
the principal  
enactment.

52. Section 101 of the principal enactment is hereby repealed and the following section substituted therefor:—

**"Regulations.**    101. (1) The Minister may make regulations in respect of any matter required by this Ordinance to be prescribed or in respect of which regulations are required to be made under this Ordinance and in particular for any of the following purposes:—

- (a) for preventing accidents by fire, and as to the lighting or using of candles, fires, and lamps, and as to the smoking of tobacco or herbs within the customs premises;
- (b) for governing and regulating porters, labourers, cartmen, and others carrying goods, or using or driving any animal or vehicle within the customs premises;
- (c) for preventing damage being done to any goods or property within the customs premises;
- (d) for prohibiting or regulating the admission of persons to the customs premises, and for excluding persons therefrom;
- (e) for regulating the conduct of persons within the customs premises;
- (f) for prescribing documents that should be furnished for the computation of customs duties for any goods and for regulating the examination of such goods for the levy of customs duties; and
- (g) for prescribing new forms for the warrants issued under sections 92 to 100, both inclusive, and the manner in which such warrants are to be defaced,

and such regulations shall be published in the *Gazette*. Any person who shall disobey the same shall be guilty of an offence and

shall on conviction after summary trial by a Magistrate be liable to a fine, not exceeding twenty-five thousand rupees or to imprisonment of either description for a term not exceeding three months or to both such fine and imprisonment. The Collector may, having regard to the circumstances in which the offence was committed, compound an offence under this section on payment of an amount equal to one fifth of the fine impossible for such offence. The compounding of an offence under this section shall have the effect of an acquittal.

(2) In this section and in any regulation made thereunder, "customs premises" means the customs premises as defined from time to time by the Principal Collector by Notification in the *Gazette*.".

53. The following new sections are hereby inserted immediately after section 103, and shall have effect as sections 103A and 103B of the principal enactment :—

"Container freight stations or Inland clearing depots for customs clearance of cargo.

103A. (1) The Collector may, with the approval of the Minister, by order made from time to time, for such periods and subject to such terms and conditions as may be prescribed, establish Container freight stations, and Inland clearance depots for the purposes of this Ordinance.

Insertion  
of new  
sections 103A  
and 103B in  
the principal  
enactment.

(2) The Collector may prescribe having regard to the nature and value of the goods to be stored therein the amount of security to be furnished by the owner of a Container freight station or Inland clearance depot established under this section.

(3) The Collector may, with similar approval and subject to the terms and conditions referred to in subsection (1), at any time for reasonable cause revoke any order made under subsection (1) or vary the terms and conditions of any such order.

Regulation  
of the  
movement  
of contain-  
ners,  
contain-  
erized  
cargo,  
cargo  
intended  
for  
containeriza-  
tion and  
security  
to be  
furnished.

103B. (1) The Minister may make regula-  
tions relating to—

- (a) documentation, storage, movement, examination, sealing, security and all other matters pertaining to containers, containerized cargo and cargo intended for containerization;
- (b) the amount of security to be furnished by persons engaged in the transport of containers, containerized cargo, and cargo intended for containerization.

Penalties for  
violation of  
conditions.

(2) If any person contravenes or fails to comply with any regulations made under subsection (1) or any requirement imposed by or under such regulations, that person and the person for the time being in charge of the goods shall in each case forfeit either treble the value of the goods or be liable to a penalty not exceeding twenty-five thousand rupees at the election of the Collector.

All other  
provisions  
of the  
Customs  
to apply.

(3) All other provisions of this Ordinance and the rules and regulations made thereunder in regard to the landing and clearance inwards or shipment and clearance outwards of cargo, shall, *mutatis mutandis*, apply to containers, containerized cargo and cargo intended for containerization.”.

Replacement  
of section  
104 of the  
principal  
enactment.

54. Section 104 of the principal enactment is hereby re-pealed and the following section substituted therefor :—

“Transport  
of goods  
overland  
under bond.

104. (1) No goods imported or to be ex-  
ported from any container freight station,  
bonded warehouse or customs premises after  
the goods have been sealed by customs, which  
are liable to duties and other charges under  
this Ordinance and on which such duties and  
other charges have not been paid to the cus-  
toms, shall be transported over-land from one  
point to another, other than by a transporter  
registered with the Principal Collector and  
who has furnished security by bond for the  
payment of such duties and other charges.

(2) Any person who transports goods in contravention of the provisions of this section shall be guilty of an offence and be liable to a penalty not exceeding one hundred thousand rupees.”.

**55.** Section 107 of the principal enactment is hereby repealed and the following section substituted therefor :—

“ Goods being moved out of any ship or to any ship or out of any warehouse if not duly entered to be forfeited.

107. If any goods, packages, or parcels shall be landed, taken or passed out of any ship, or out of any warehouse, or be laden, taken on board or passed on to any ship, not having been duly entered, the same shall be forfeited :

Provided always that no entry shall be required in respect of the baggage of passengers as defined by the regulations made under section 107A.”.

**56.** The following new section is hereby inserted immediately after section 107, and shall have effect as section 107A of the principal enactment :—

Regulation of passengers' baggage inwards and outwards.

107A. (1) Any passenger arriving in Sri Lanka may be searched and his baggage landed, examined and delivered by such officers and in accordance with such regulations as the Minister may prescribe by Notification published in the *Gazette*; and if any prohibited, restricted or uncustomed goods are found concealed in the baggage of any passenger arriving in Sri Lanka or upon his person or in any place in which they have been put by his direction or with his connivance either before or after landing, the same shall be forfeited, together with the contents of the packages and the packages containing the same.

(2) Any passenger leaving Sri Lanka may be searched and his baggage examined by such officers and in accordance with such regulations as the Minister may prescribe by Notification published in the *Gazette*, and if any prohibited, restricted or uncustomed goods are found concealed in the baggage of

Replacement of section 107 of the principal enactment.

Insertion of new section 107A in the principal enactment.

any passenger leaving Sri Lanka or upon his person or in any place in which they have been put by his direction or with his connivance either before or after embarkation, the same shall be forfeited, together with the contents of the packages and the packages containing the same.

(3) No female passenger shall be searched by any person other than a female duly authorized in that behalf by the Collector.

(4) Every regulation made by the Minister under this section shall, as soon as convenient after its publication in the *Gazette* be brought before Parliament for approval. Any 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.

(5) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the *Gazette*.".

**57.** Section 110 of the principal enactment is hereby repealed and the following section substituted therefor :—

Replacement  
of section  
110 of the  
principal  
enactment.

"Collector to order removal of goods from one warehouse or customs premises to another warehouse or place.

**110.** (1) If the Collector considers it expedient to do so for any of the purposes of this Ordinance he may by written order require any importer of goods to have them removed from the warehouse or other place in the customs premises where they have been deposited to such other warehouse or place within the customs premises as may be specified in the order, within the period specified therein, and to be present on the date and time, if any, specified in the order for the due examination of the goods.

(2) Any person who, without reasonable cause, fails to comply with an order issued to him under subsection (1) shall be liable to a penalty not exceeding ten thousand rupees.". 1

58. Section 115 of the principal enactment is hereby repealed and the following section substituted therefor :—

"Collector to grant licences to customs house agents.

Replacement of section 115 of the principal enactment.

115. (1) The Collector may and he is hereby authorized to grant on payment of the prescribed fee, licences in such form and manner and subject to such terms and conditions as are specified in Schedule G to this Ordinance to such persons who satisfy the requirements set out in that Schedule, to act as Customs House agents for transacting business which shall relate to the entry or clearance of any ship, or of any goods, or of any baggage, in any of the ports or places in Sri Lanka and only persons so licensed shall act as agents as aforesaid, and the Collector may cancel or revoke for fraud or misconduct or for breach of any terms and conditions of any licence so granted to any such person.

(2) Every licence granted under this section shall be valid for a period of one year and may be renewed by the Collector, at the end of the period on payment of the prescribed fee.

Employees deemed to be Agents.

(3) Any employee of an importer or exporter shall be deemed to be a Customs House agent for the purposes of this section, and shall not be permitted to transact business as aforesaid, unless he holds a licence under subsection (1).".

59. The following new section is hereby inserted immediately after section 115, and shall have effect as section 115A of the principal enactment :—

"Importers and exporters to be registered with customs.

Insertion of new section 115A in the principal enactment.

115A. (1) It shall be lawful for the Collector for the purpose of facilitating the discharge of his functions under this Ordinance to require every importer and exporter of goods to register with the customs, giving such particulars as may be required by him.

(2) No goods shall be imported into or exported out of Sri Lanka except by a registered importer or exporter.

(3) In this section, importer shall mean a person who imports goods either for himself or on behalf of another for a commercial purpose and exporter shall mean a person who exports goods either in his name or on behalf of another for a commercial purpose.”.

**Amendment  
of section  
118 of the  
principal  
enactment.**

60. Section 118 of the principal enactment is hereby amended by the substitution for the words, “two thousand rupees”, of the words “one hundred thousand rupees”.

**Replacement  
of section  
119 of the  
principal  
enactment.**

61. Section 119 of the principal enactment is hereby repealed and the following section substituted therefor:—

“ Making  
false  
declaration.  
Signing  
false  
documents  
and  
untruly  
answering  
questions.

Counter-  
feiting and  
using false  
documents.

119. If any person shall make and subscribe any declaration, certificate, or other instrument required by this Ordinance to be verified by signature only, the name being false in any particular ; or if any person shall make or sign any declaration made for the consideration of the Collector or the proper officer of customs on any application presented to him the same being untrue in any particular ; or if any person required by this Ordinance or any other enactment relating to the customs to answer questions put to him by the officers of customs shall not truly answer such questions ; or if any person shall counterfeit, falsify, or wilfully use when counterfeited or falsified, any document required by this Ordinance or any enactment relating to the customs, or by or under the directions of the Collector or any instrument used in the transaction of any business or matter relating to the customs, or shall fraudulently alter any document or instrument, or counterfeit the stamp, seal, signature, initials, or other mark of, or used by the officers of the customs for the verification of any such document or instrument, or for the security of goods, or any other purpose, in the conduct of business relating to the customs, every person so contravening shall be liable to forfeit a sum not exceeding one hundred thousand rupees, and any goods, including currency in any form, in relation to which the document or statement was made shall be liable to forfeiture :

Provided always that this penalty shall not attach to any particular contravention for which any other penalty shall be expressly imposed by any law in force for the time being.”.

62. Section 122 of the principal enactment is hereby amended by the substitution for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Amendment  
of section  
122 of the  
principal  
enactment.

63. The following new section is hereby inserted immediately after section 123, and shall have effect as section 123A, of the principal enactment:—

Insertion  
of new  
section 123A  
in the  
principal  
enactment.

“Drawing of samples on goods cleared out of customs control.

123A. Where goods imported have been cleared out of Customs, and the Collector deems it necessary for any customs purpose to examine samples of the said goods and authorizes the drawing of samples thereof, the importer or the person for the time being in charge of the place or premises where the goods are kept or stored shall hand over to the Collector or other customs officer authorized in writing by the Collector in that behalf a sample or samples proved to the satisfaction of the Collector as being authentic and representative of the said goods, provided the sample or samples are demanded within thirty days from the date such goods have been cleared from the customs. If the samples are not handed over within three working days of the demand therefor, the Collector or other customs officer authorized in writing by the Collector in that behalf shall have the power to enter, and draw samples from, the premises where the goods may be stored.”.

64. Section 126 of the principal enactment is hereby amended in subsection (4) of that section by the substitution for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

Amendment  
of section  
126 of the  
principal  
enactment.

**Insertion of new sections 127A and 127B in the principal enactment.**

65. The following new sections are hereby inserted immediately after section 127, and shall have effect as sections 127A and 127B of the principal enactment:—

**"Persons arrested to be produced before a Magistrate under certain circumstances."**

217A. Where a Collector is of opinion that a person arrested and produced before him in terms of section 127 for an offence under this Ordinance is a person capable of interfering with the investigation or that the nature of the offence is such that it is desirable to keep that person in custody for the proper investigation of the offence for more than twenty four hours, he shall produce such person before a Magistrate.

**Access to persons in custody for purpose of investigations.**

217B. Notwithstanding anything in any other law, a customs officer conducting an investigation under this Ordinance in respect of any person arrested under section 127 and kept in custody under section 127A, shall have the right to access to such person and the right to take such person during reasonable hours, to any place for the purpose of investigation.”.

**Amendment of section 128 of the principal enactment.**

66. Section 128 of the principal enactment is hereby amended in subsection (4) of that section by the substitution for the words “one thousand rupees”, of the words “one hundred thousand rupees”.

**Amendment of section 129 of the principal enactment.**

67. Section 129 of the principal enactment is hereby amended by the substitution, for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

**Amendment of section 130 of the principal enactment.**

68. Section 130 of the principal enactment is hereby amended by the substitution, for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

**Amendment of section 131 of the principal enactment.**

69. Section 131 of the principal enactment is hereby amended in subsection (2) of that section by the substitution for the words “ten thousand rupees”, of the words “one hundred thousand rupees”.

**Amendment of section 132 of the principal enactment.**

70. Section 132 of the principal enactment is hereby amended by the substitution, for the words “two thousand rupees”, of the words “one hundred thousand rupees”.

71. Section 133 of the principal enactment is hereby amended by the substitution, for the words "two thousand rupees", of the words "one hundred thousand rupees". Amendment of section 133 of the principal enactment.
72. Section 135 of the principal enactment is hereby amended by the substitution, for the words "two thousand rupees", of the words "one hundred thousand rupees". Amendment of section 135 of the principal enactment.
73. Section 136 of the principal enactment is hereby amended by the substitution, for the words "two thousand rupees", of the words "one hundred thousand rupees". Amendment of section 136 of the principal enactment.
74. Section 137 of the principal enactment is hereby amended by the substitution, for the words "two thousand rupees", of the words "one hundred thousand rupees". Amendment of section 137 of the principal enactment.
75. Section 138 of the principal enactment is hereby repealed and the following section substituted therefor :—
- "Officers may search persons on board or on shore in certain cases."*
138. It shall be lawful for any officer of customs to go on board any ship which shall be within the limits of any port or air port in Sri Lanka, and search any person on board, and his baggage or other belongings and it shall be lawful for him to search any person who shall have landed from any ship or any person passing or having passed through the custom house and the baggage or other belongings of such person, provided such officer shall have good reason to suppose that such person shall have any uncustomed, restricted or prohibited goods secreted about his person or in his baggage or other belongings; and if any person shall obstruct any such officer in the performance of any such duty, every such person shall be guilty of an offence, and shall be liable on conviction thereof to a fine not exceeding one hundred thousand rupees or to imprisonment of either description for a term not exceeding five years or to both such fine and imprisonment.".
76. Section 139 of the principal enactment is hereby amended by the substitution for the words "two thousand rupees", of the words "one hundred thousand rupees". Amendment of section 139 of the principal enactment.

Replacement  
of section  
146 of the  
principal  
enactment.

**77.** Section 146 of the principal enactment is hereby repealed and the following section substituted therefor:—

"Persons liable to forfeiture or penalty under any section of the Ordinance to be guilty of an offence."

**146.** If any person by reason of any act or omission becomes liable, under the provisions of any section of this Ordinance to forfeit any goods or any sum of money, or to any penalty other than a fine, such person shall, in addition, be guilty of an offence and shall, on conviction after summary trial before a Magistrate—

(a) if the act or omission by reason of which he becomes liable to the forfeiture or penalty, relates to the importation or exportation of any goods set out in Column I of Schedule F to this Ordinance and in excess of the amount set out in the corresponding entry in Column II of that Schedule, be liable to the penalty set out in the corresponding entry in Column III of that Schedule;

(b) if the act or omission by means of which he becomes liable to forfeiture or penalty relates to the importation or exportation of any goods which are not set out in Schedule F and the value of such goods exceeds two hundred and fifty thousand rupees, be liable to imprisonment of either description for a term not less than three months and not more than two years or to a fine not exceeding twenty five thousand rupees or to both such imprisonment and fine; and

(c) if the act or omission does not relate to such importation or exportation, be liable to imprisonment of either description for a term not exceeding two years or to a fine not exceeding ten thousand rupees or to both such imprisonment and fine:

Provided, however, that no prosecution shall be instituted against any person under this section, unless the Principal Collector is of opinion that the forfeiture or penalty, as the case may be, whether imposed or not, cannot or is not likely to be recovered from such person.”.

78. Section 153 of the principal enactment is hereby repealed and the following section substituted therefor :—

Replacement  
of section  
153 of the  
principal  
enactment.

**Disburse-  
ment  
of  
forfeitures  
and  
penalties  
recovered  
under this  
Ordinance.**

153. The amount—

- (1) of all forfeitures and penalties recovered under this Ordinance or under this Ordinance read with the provisions of any other written law ; and
- (2) of the proceeds of all such goods as may be disposed of by the Principal Collector under section 162 of this Ordinance, or under this Ordinance read with the provisions of any other written law,

shall be paid into the hands of such Collector and shall (after deducting any expenses incurred) be paid and applied as follows :—

- (a) one half to the Deputy Secretary to the Treasury, out of which sixty per centum shall be credited to the Consolidated Fund and the balance forty per centum to the Customs Officers Management and Compensation Fund (hereinafter in this Ordinance referred to as “the Fund ” ; and
- (b) the other half into a reward fund under the control of the Principal Collector for distribution, in accordance with a scheme to be approved by the Minister, among customs officers concerned and the informers.’.

79. The following new section is hereby inserted immediately after section 153, and shall have effect as section 153A of the principal enactment :—

Insertion of  
new section  
153A in the  
principal  
enactment.

"Purposes for which the moneys of the Fund may be applied.

153A. (1) The sum of money in the Fund shall be utilized for the following purposes :—

(a) providing such facilities as appear to the Principal Collector to enhance the effectiveness of the management of Customs ; and

(b) granting compensation to any customs officer who is permanently, totally or partially disabled or temporarily incapacitated, or in the event of death of any customs officer, to the legal heirs, in any case where such disablement, incapacitation or death, as the case may be, is due to an injury—

(i) received by such officer while on duty, or

(ii) received by such officer while on a journey—

(a) from his place of residence to his place of work to report for duty, or

(b) from his place of work to his place of residence after duty, or

(iii) received by such officer, while not on duty in the performance of some act which is within the scope of his ordinary duties, or

(iv) received by such officer in consequence of any act performed in the execution of his duties, or

(v) received by such officer as a result of any act of reprisal occasioned by, or arising out of, any action taken by him in the execution of his duties.

(2) The Principal Collector may with the approval of the Minister by regulation provide for the principles and conditions subject to which such compensation will be granted and for all other matters necessary or expedient for the establishment and operation of such a Fund.

(3) Any compensation granted in accordance with regulations made under the preceding provisions of this section in respect of the disablement, incapacitation or death of a customs officer shall be in addition to any pension, gratuity, compensation, allowance, or other benefit granted in respect of such disablement, incapacitation or death under the Minutes on Pensions, or any other written law.”.

80. The following new sections are hereby inserted immediately after section 166 and shall have effect as sections 166A and 166B respectively of the principal enactment:—

“Where the offence is concerned with goods, the value of which exceeds five hundred thousand rupees such offence to be deemed a non-bailable offence.

Guidelines for imposing penalty or ordering forfeiture.

Insertion of new sections 166A and 166B in the principal enactment.

166A. Where a person is suspected to be concerned with an offence under section 129 or section 130 of this Ordinance and the value of the goods in respect of which the offence is alleged to have been committed exceeds five hundred thousand rupees, then notwithstanding anything in this Ordinance or in any other written law such offence shall be deemed to be a non-bailable offence.

166B. In imposing a penalty or ordering a forfeiture under sections 27, 28, 29, 30, 31, 32, 38, 47, 52, 56, 57, 59, 62, 63, 64, 67, 68, 74, 76, 77, 110, 119, 129, 130, 131, 132, 133, 135, 136 and 137, the Principal Collector shall have regard to the following:—

- (a) the gravity of the contravention giving rise to the penalty or forfeiture;
- (b) the amount of revenue lost as a result of such contravention;

**Amendment  
of section  
167 of the  
principal  
enactment.**

(c) the availability or shortage, as the case may be, of the goods with respect to which such contravention has been committed.”.

81. Section 167 of the principal enactment is hereby amended as follows:—

(1) by the insertion immediately after the definition of “Collector”, of the following new definitions:—

“Container freight station” or “Inland clearance depot” shall mean a place designated by the Collector—

(a) for the storage and clearance of goods under customs control after they have been destuffed from containers or when they are to be stuffed into containers;

(b) for the storage of containers which have goods therein; and

(c) for the storage of empty containers;

“customs house” shall mean any place for the transaction of customs business;

(2) by the insertion immediately after the definition of “owner”, of the following new definition:—

“port or harbour” shall include a customs aerodrome;’;

(3) by the substitution for the definition of “ship”, of the following definition:—

“ship or vessel” shall mean ship or vessel of every description and shall include an aircraft;’;

(4) by the insertion immediately after the definition of “ship or vessel”, of the following new definition:—

“shipment” with its grammatical variations and cognate expressions shall include loading into an aircraft ;’; and

(5) by the substitution for the definition of “true value”, of the following definition:—

“value”, in relation to imported goods, whether such goods were imported lawfully, or otherwise means the price of such goods as determined in accordance with Schedule E.’.

Addition  
of new  
Schedules  
to the  
principal  
enactment.

82. The principal enactment is hereby amended by the addition at the end thereof, of the following :—

**"SCHEDULE E** [Section 51]

1. The value of any imported goods shall be the normal price, that is to say, the price which they would fetch at the time of importation on a sale in the open market between a buyer and a seller independent of each other as indicated in paragraph 2.7.

2. The normal price of any imported goods shall be determined on the following assumptions :—

2.1 that the goods are delivered to the buyer at the port or place of introduction in Sri Lanka, that is to say, the first seaport or airport at which the goods are unloaded or in other cases where the goods are first dealt with by a customs officer ;

2.2 that the seller bears all costs, charges and expenses incidental to the sale and to the delivery of the goods at the port or place of introduction which are hence included in the normal price ;

2.3 the costs, charges and expenses referred to in paragraph 2.2 include *inter alia* any of the following :—

2.3.1 carriage and freight to Sri Lanka ;

2.3.2 insurance ;

2.3.3 commission ;

2.3.4 brokerage in connection with purchase ;

2.3.5 cost, charges and expenses of drawing up outside Sri Lanka documents incidental to the introduction of goods into Sri Lanka excluding consular fees ;

2.3.6 duties and taxes applicable outside Sri Lanka except those from which goods have been exempted or have been or will be relieved by means of refund ;

2.3.7 cost of containers excluding those which are treated as separate articles for the purpose of levying of customs, cost of packing whether for labour, materials or otherwise ;

2.3.8 loading charges ;

2.4 that the buyer bears all duties and other levies which are applicable in Sri Lanka ;

2.5 that the sale is a sale of the quantity to be valued ;

2.6 the material time for valuation shall be the time of importation and defined in section 16 of the Customs Ordinance ;

2.7 that a sale in the open market between a buyer and a seller independent of each other pre-supposes—

2.7.1 that the price is the sole consideration ;

2.7.2 that the price is not influenced by any commercial, financial or other relationship between the seller or any person associated in business with him and the buyer, or any person associated in business with him, other than the relationship created by the sale itself;

2.7.3 that no part of the proceeds of any subsequent resale, other disposal or use of the goods will accrue, either directly or indirectly to the seller or any person associated in business with him;

2.7.4 two persons shall be deemed to be associated in business with one another if whether directly or indirectly, either of them has any interest in the business or property of the other or both have a common interest in any business or property or some third person has an interest in the business or property of both of them;

2.8 that when goods are valued they—

2.8.1 are manufactured in accordance with any patented invention or are goods to which any protected design has been applied; or

2.8.2 are imported under a foreign trade mark, the value of the right to use the patent, protected design or trade mark, shall be included in the normal price (This provision shall also apply in the case of copyright or any other intellectual or industrial property rights);

Provided that the Minister may by Order in the interest of the economic need of the country exclude such value where the rights are held by a person in Sri Lanka;

2.8.3 are imported for manufacture and are then to be sold or otherwise disposed of or used under a foreign trade mark, the normal price shall include the value of the right to use that trade mark in respect of the goods.

2.9 a trade mark shall be treated as a foreign trade mark if it is the mark of—

(a) any person by whom the goods to be valued have been grown, produced, manufactured, offered for sale or otherwise dealt with outside Sri Lanka; or

(b) any person associated in business with any person referred to in sub-paragraph (a) above; or

(c) any person whose rights in the mark are restricted by an agreement with any person referred to in sub-paragraph (a) or (b) above.

3. The price paid or payable may be accepted as the value for customs purposes if the price corresponds at the time of valuation to the normal price as indicated in paragraph 1 above and the price is adjusted if necessary to take account of the circumstances of the sale which differ from those on which the normal price is based.

## S C H E D U L E F

[Section 148]

<i>Column I Goods</i>	<i>Column II Quantity</i>	<i>Column III Penalty</i>
Gold including gold coins, bullion and jewellery	50 grammes and above, but less than 100 grammes	Imprisonment of either description for a period not less than one year and not exceeding two years.
	100 grammes and above, but less than 500 grammes.	Imprisonment of either description for a period not less than two years and not exceeding five years.
	500 grammes and above, but less than 1000 grammes.	Imprisonment of either description for a period not less than five years and not exceeding ten years
	1000 grammes and above, but .. less than 3000 grammes.	Imprisonment of either description for a period not less than ten years and not exceeding fifteen years.
	3000 grammes and above ..	Imprisonment of either description for a period not less than fifteen years and not exceeding twenty years and confiscation of the property.
Foreign Currency or gems	Equivalent to 15,000 and above, but less than 30,000 in Sri Lanka rupees	Imprisonment of either description for a period not less than one year and not exceeding two years.
	Equivalent to 30,000 and above, but less than 150,000 in Sri Lanka rupees	Imprisonment of either description for a period not less than two years and not exceeding five years.
	Equivalent to 150,000 and above, but less than 300,000 in Sri Lanka rupees	Imprisonment of either description for a period not less than five years and not exceeding ten years
	Equivalent to 300,000 and above, but less than One Million in Sri Lanka rupees	Imprisonment of either description for a period not less than ten years and not exceeding fifteen years.
	Equivalent to One Million and above in Sri Lanka rupees	Imprisonment of either description for a period not less than fifteen years and confiscation of property
Woven textile fabrics, felt, bonded fibre fabrics or similar bonded yarn fabrics	300 Metres and above but less than 600 metres	Imprisonment of either description for a period not less than one year and not exceeding two years.
	600 Metres and above but less than 3000 metres	Imprisonment of either description for a period not less than two years and not exceeding five years.
	3000 Metres and above but less than 6000 metres	Imprisonment of either description for a period not less than five years and not exceeding ten years.
	6000 Metres and above but less than 20,000 metres	Imprisonment of either description for a period not less than ten years and not exceeding fifteen years.
	20,000 Metres and above ..	Imprisonment of either description for a period not less than fifteen years and confiscation of property

<i>Column I Goods</i>	<i>Column II Quantity</i>	<i>Column III Penalty</i>
Articles of apparel made up of any textile fabric (including felt, bonded fibre fabrics, tulle or other net fabrics and lace) and articles of knitted or crocheted material	300 Numbers and above but less than 600 numbers  600 Numbers and above but less than 3000 numbers  3000 Numbers and above but less than 6000 numbers  6000 Numbers and above but less than 20000 numbers  20,000 Numbers and above ..	Imprisonment of either description for a period not less than one year and not exceeding two years.  Imprisonment of either description for a period not less than two years and not exceeding five years.  Imprisonment of either description for a period not less than five years and not exceeding ten years.  Imprisonment of either description for a period not less than ten years and not exceeding fifteen years.  Imprisonment of either description for a period not less than fifteen years and co- fiscation of property.
Electrical and Electronic goods	20 Units and above but less than 30 Units  30 Units and above but less than 50 Units  50 Units and above but less than 100 Units  100 Units and above but less than 500 Units  500 Units and above ..	Imprisonment of either description for a period not less than one year and not exceeding two years.  Imprisonment of either description for a period not less than two years and not exceeding five years.  Imprisonment of either description for a period not less than five years and not exceeding ten years.  Imprisonment of either description for a period not less than ten years and not exceeding fifteen years.  Imprisonment of either description for a period not less than fifteen years.
Arms of all descriptions	2 Numbers and above but less than 4 numbers  4 Numbers and above but less than 6 numbers  6 Numbers and above but less than 10 numbers  10 Numbers and above but less than 15 numbers  15 Numbers and above ..	Imprisonment of either description for a period not less than one year and not exceeding two years.  Imprisonment of either description for a period not less than two years and not exceeding five years.  Imprisonment of either description for a period not less than five years and not exceeding ten years.  Imprisonment of either description for a period not less than ten years and not exceeding fifteen years.  Imprisonment of either description for a period not less than fifteen years.

Ammunition (including 2 Numbers and above but Missiles and Explosives) less than 5 numbers	for a period not less than one year and not exceeding two years.
5 Numbers and above but less than 10 numbers	Imprisonment of either description for a period not less than two years and not exceeding five years.
10 Numbers and above but less than 15 numbers	Imprisonment of either description for a period not less than five years and not exceeding ten years.
15 Numbers and above but less than 20 numbers	Imprisonment of either description for a period not less than ten years and not exceeding fifteen years.
20 Numbers and above	Imprisonment of either description for a period not less than fifteen years.

## SCHEDULE G [Section 115 (1)]

## Terms and conditions of licence to Customs House Agents

- (1) Every person licensed as a Customs House Agent shall have an office registered with the Customs.
- (2) Every person licensed as a Customs House Agent shall be conversant with the law and practice relating to Customs.
- (3) Every person licensed as a Customs House Agent shall give security in cash in an amount determined by the Principal Collector or such other security as the Collector may approve, for the payment of all charges including penalties and forfeitures that may be imposed upon him for any offence under the Customs Ordinance.”.

83. With effect from the date of commencement of this Act, in every context in which mention is made in any written law or in any notice, communication, form or other document issued, made, required, or authorized by or under any written law, to any designation set out in Column I of the Schedule hereto, there shall be substituted the designation set out in the corresponding entry in Column II of that Schedule.

Change  
of designa-  
tions.

## SCHEDULE

Column I	Column II
Principal Collector of Customs	Director General of Customs
Deputy Collector of Customs	Director of Customs
Additional Landing Surveyor	Deputy Director of Customs
Assistant Collector	Assistant Director of Customs
Sub-Collector	Superintendent of Customs
Customs Officers Grade I & II	Assistant Superintendent Grade I & II
Tide Waiter	Customs Inspector Grade I
Tide Surveyor	
Female Searcher	
Guard	Customs Inspector Grade II

**Articles  
imported  
by public  
corporations  
liable to  
import  
duty.**

84. Every article consigned to, or for the use or service of, a public corporation, or purchased out of bond, for the use or service of a public corporation shall be liable to the payment of import duty, notwithstanding anything to the contrary in any written law establishing such Public Corporation.