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# The Gazette of the Democratic Socialist Republic of Sri Lanka EXTRAORDINARY

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(Published by Authority)

## PART I : SECTION (I) — GENERAL Government Notifications

### STRATEGIC DEVELOPMENT PROJECTS ACT, No. 14 OF 2008

Order under Sub section (4) of Section 3

By Virtue of the Powers vested in me by Sub-Section (4) of Section 3 of the Strategic Development Projects Act, No 14 of 2008 as amended, I Mahinda Rajapaksa, Minister of Finance, do by this Order declare that,

1. The Notification containing the relevant information of the Ceylon Tyre Manufacturing Company (Pvt) Ltd project to Manufacture Semi Steel Tyres and All Steel Radial Tyres (Truck and Bus Radial Tyres - TBR, Passenger Car Radial Tyres - PCR) for the export market at Hambanthota International Port which was identified as a Strategic Development Project for the purpose of Sub Section (2) of the section 3 of the aforesaid Act, was published in *Gazette Extraordinary* No. 2209/21 dated 05.01.2021.
2. The name of the strategic development project shall be “**Ceylon Tyre Manufacturing Company (Pvt) Ltd.**” (“The Project”).
3. The project shall be implemented in thirty six (36) months and project implementation period will be reckoned from the date of the approval of the Cabinet of Ministers granted in terms of Section 3(3) of the Strategic Development Projects Act, No. 14 of 2008.
4. The Project shall commence its commercial operations within thirty six (36) months from the date of the approval of the Cabinet of Ministers in terms of Section 3 (3) of the SDP Act, No 14 of 2008.



SCHEDULE

**(a) Inland Revenue Act, No 24 of 2017**

**Corporate Income Tax (CIT)**

For a period of Twelve (12) years reckoned from the date of the approval of the Cabinet of Ministers in terms of Section 3 (3) of the Strategic Development Projects Act, No. 14 of 2008.

After the expiry of the aforesaid Twelve (12) years tax exemption period, the prevailing Corporate Income Tax rate at that time shall be applicable in respect of the profits generated by the Project of the Project Company.

**Income Tax on Employment**

The expatriate employees of the Project Company shall be exempted from income tax arising from gains and profits from employment in relation to the aforesaid project for a period of five (05) years subject to the maximum number of fifteen (15) expatriates.

**(b) Value Added Tax Act, No. 14 of 2002**

The deferment facility for the capital and construction items shall be applicable within the provisions of the Value Added Tax ("VAT") Act, No. 14 of 2002.

The VAT exemption shall be deferred for the importation of raw materials subject to eighty *per centum* (80%) of the output of the Project Company is exported.

**(c) Ports and Airport Development Levy Act, No. 18 of 2011**

The Project Company shall be exempted from the payment and charge of Ports and Airports Development Levy ("PAL") on all capital items imported during the Project implementation period of Thirty-Six (36) months and raw materials as described and permitted as referred in the Ports and Airports Development Levy Act, No. 18 of 2011.

**(d) Customs Ordinance (Chapter 235)**

Customs duty shall be exempted for import of all project related items including capital items, construction items, raw materials and consumables as approved by the Board of Investment of Sri Lanka excluding the items in the negative list published by the Ministry of Finance.

**MAHINDA RAJAPAKSA, M.P.**  
Minister of Finance.

Ministry of Finance,  
Colombo 01,  
March 05, 2021.

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