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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2394/08 - 2024 ජූලි මස 22 වැනි සඳුදා - 2024.07.22
No. 2394/08 - MONDAY, JULY 22, 2024

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

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

Order under Section 53

BY VIRTUE of the powers vested in me by Section 53 of the Colombo Port City Economic Commission Act, No. 11 of 2021, I, Ranil Wickremesinghe, Minister of Investment Promotion, having considered the recommendations of the Colombo Port City Economic Commission and upon the approval of the Cabinet of Ministers, do by this Order specify that-

- the Cabinet of Ministers, by its decision No. 24/1315/631/034 dated, July 09, 2024 has approved the designation of the business of the authorised person specified in Schedule I hereto as a Business Strategic Importance - Duty Free Retail Operations;
- the rationale for considering such business as a Business of Strategic Importance Duty Free Retail Operations is as specified in Schedule II hereto;
- the exemptions or incentives granted under the enactments shall be as specified in Schedule III hereto; and
- the exemptions or incentives granted under the enactments specified shall commence and cease to be operative on the dates specified in Schedule IV hereto.

RANIL WICKREMESINGHE,
Minister of Investment Promotion.

Colombo,
July 19, 2024.



SCHEDULE I

Details of the business designated as a Business of Strategic Importance - Duty Free Retail Operations

1.	Name of the Authorised Person	CHINA DUTY FREE (LANKA) (PVT) LTD
2.	Licence No.	2311220030
3.	Licence Issued Date	December 01, 2023 Business commencement date shall be within 6 months from the issuance of Licence (vide Regulation 27 of the Regulations for Registration, Licensing, Authorisation and other Approvals of Authorised Persons No. 01 of 2022)
4.	Offshore Company Registration No.	PCC 00289505
5.	Classification of Business of Strategic Importance	Business of Strategic Importance - Duty Free Retail Operations.
6.	Entitlement to the Exemptions or Incentives	CHINA DUTY FREE (LANKA) (PVT) LTD is designated only as a Business of Strategic Importance - Duty Free Retail Operations and not eligible to be designated as a Business of Strategic Importance - Duty Free Mall Operations or Secondary or Primary Business of Strategic Importance.
7.	Eligibility Criteria	Criteria specified in Regulations 2(3)(a), (b), (c) and (d) of the <i>Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance - Duty Free Operations)</i> Regulations, No. 1 of 2024, published in the <i>Gazette Extraordinary</i> No. 2381/24 of April 22, 2024
8.	Exemption or Incentive Scheme Applicable	Scheme specified in Regulation 3 of the <i>Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance - Duty Free Operations)</i> Regulations, No. 01 of 2024.

SCHEDULE II

Rationale for the consideration of the Business of Strategic Importance - Duty Free Retail Operations

The objectives of the Colombo Port City Economic Commission, as stated in Section 5 of the Colombo Port City Economic Commission Act, No. 11 of 2021 has been considered in designating the businesses as Business of Strategic Importance - Duty Free Retail Operations in order to ensure the success of establishing the Colombo Port City, having regard to the national interest or in the advancement of the national economy as stated in Section 53(5) of the said Act.

The Applicant is a Joint Venture (JV) of 80:20 between China Duty Free International Limited of Hong Kong and CHEC Port City Colombo (Pvt) Ltd, established, to engage in the business of Duty-Free Retail Operations with an investment of USD 10.9 million which exceeds the minimum investment qualification criteria of USD 5 million and initially generate approximately 50 employment opportunities. The main JV partner China Duty Free International Limited is a world leading travel retailer consisting of more than 200 stores worldwide, with an annual turnover of USD 10.5 billion in 2021 and in collaboration with more than 1000 global top brands with over 20 million loyalty members.

SCHEDULE III

Exemptions or incentives granted under the enactments

<i>Enactments listed under Schedule II of the Act</i>		<i>Exemptions or incentives granted</i>
1.	Inland Revenue Act, No. 24 of 2017	(a) All income, profits, and dividends distributed shall be exempted from all taxes Prescribed under this Act; (b) All payments made shall be exempted from Withholding Tax specified under this Act;
2.	Value Added Tax Act, No. 14 of 2002	(a) All imports and local purchases of business-related goods and services as approved by the Commission. (b) The sale of Permitted goods as per the Government Gazette Notification No. 2381/24 dated April 22, 2024. shall be exempt from taxes prescribed under this Act.
3.	Finance Act, No. 11 of 2002	Exemption from all the provisions of this Act.
4.	Finance Act, No. 5 of 2005	Exemption from all the provisions of this Act.
5.	Excise (Special Provisions) Act, No. 13 of 1989	(a) All imports and local purchases of business-related goods as approved by the Commission. (b) The sale of Permitted goods as per the Government Gazette Notification No. 2381/24 dated April 22, 2024. shall be exempted from all taxes, duties and levies prescribed under this Act.

6.	Customs Ordinance (Chapter 235)	<p>(a) All imports and local purchase of business related goods as approved by the Commission.</p> <p>(b) The sale of Permitted goods as per the Government <i>Gazette</i> Notification No. 2381/24 dated April 22, 2024</p> <p>shall be exempt from all taxes, duties and levies prescribed under this Act.</p>
7.	Ports and Airports Development Levy Act, No. 18 of 2011	<p>(a) All imports and local purchase of business related goods as approved by the Commission.</p> <p>(b) The sale of Permitted goods as per the Government <i>Gazette</i> Notification No. 2381/24 dated April 22, 2024</p> <p>shall be exempt from all taxes, duties and levies prescribed under this Act.</p>
8.	Sri Lanka Export Development Act, No. 40 of 1979	<p>(a) All imports and local purchase of business related goods as approved by the Commission.</p> <p>(b) The sale of Permitted goods as per the Government <i>Gazette</i> Notification No. 2381/24 dated April 22, 2024</p> <p>shall be exempted from all taxes, duties and levies prescribed under this Act.</p>
9.	Betting and Gaming Levy Act, No. 40 of 1988	No exemption or incentive is granted under this Act.
10.	Termination of Employment of Workmen (Special Provisions) Act, No. 45 of 1971	Exemption from all the provisions of this Act.
11.	Entertainment Tax Ordinance (Chapter 267)	No exemption or incentive granted under this Act.
12.	Foreign Exchange Act, No. 12 of 2017	Exemption from all the provisions of this Act excluding the Foreign Exchange (Investments in Colombo Port City) Regulations No. 01 of 2022, published in the <i>Gazette</i> Extraordinary No. 2282/59 of June 03, 2022
13.	Casino Business (Regulation) Act, No. 17 of 2010	No exemptions or incentives is granted under this Act.

SCHEDULE IV			
Period of validity of exemptions or incentives granted			
	<i>Enactments listed under Schedule II of the Act</i>	<i>Date of commencement</i>	<i>Date of expiry</i>
1.	Inland Revenue Act, No. 24 of 2017	July 19, 2024	July 18, 2044
2.	Value Added Tax Act, No. 14 of 2002	July 19, 2024	July 18, 2044
3.	Finance Act, No. 11 of 2002	July 19, 2024	July 18, 2044
4.	Finance Act, No. 5 of 2005	July 19, 2024	July 18, 2044
5.	Excise (Special Provisions) Act, No. 13 of 1989	July 19, 2024	July 18, 2044
6.	Customs Ordinance (Chapter 235)	July 19, 2024	July 18, 2044
7.	Ports and Airports Development Levy Act, No. 18 of 2011	July 19, 2024	July 18, 2044
8.	Sri Lanka Export Development Act, No. 40 of 1979	July 19, 2024	July 18, 2044
9.	Betting and Gaming Levy Act, No. 40 of 1988	Not applicable	Not applicable
10.	Termination of Employment of Workmen (Special Provisions) Act, No. 45 of 1971	July 19, 2024	July 18, 2044
11.	Entertainment Tax Ordinance (Chapter 267)	Not applicable	Not applicable
12.	Foreign Exchange Act, No. 12 of 2017	July 19, 2024	July 18, 2044
13.	Casino Business (Regulation) Act, No. 17 of 2010	Not applicable	Not applicable

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