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EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Government Notifications

CUSTOMS NOTIFICATION

By virtue of the powers vested in me by Section 101(1) of the Customs Ordinance (Chapter 235), as amended, I, Mangala Samaraweera, Minister of Finance and Mass Media of Democratic Socialist Republic of Sri Lanka, do by this Order promulgate regulations for the purpose of governing business to consumer (B2C) transactions on the e-commerce platform. These regulations shall come to effective from July 01, 2018.

MANGALA SAMARAWEEA,
Minister of Finance and Mass Media.

Ministry of Finance and Mass Media,
Colombo 01,
29th June 2018.

Regulations

1. These regulations may be cited as B2C (Business to Consumer) Regulations and shall come into force with effect from July 01, 2018.

2. Purpose of these regulations is to govern any business to consumer (B2C) transactions, given below, over the Internet or any online trading platform.

- (a) B2C operations by a Board of Investment approved Hub enterprise
- (b) B2C operations by a Board of Investment approved enterprise other than (a) above
- (c) B2C operations by any other registered business enterprise
- (d) B2C operations by any individual exporter



2.1 General Provisions and Procedures to facilitate the enterprises/persons, engaged in B2C business/operations, referred to in 2. (a) to 2. (d) above.

- (i) Upon receiving an order for goods through the electronic commerce (e-commerce) platform, the relevant enterprise shall pick and pack the goods and deduct the same from its stock in its warehouse management system or inventory management system as may be applicable.
 - (ii) Prior to the shipment of such goods, the relevant enterprise including an individual exporter engaged in B2C operations/business shall prepare ;
 - (a) The Courier Air Way Bill (AWB) with a specific serial number including correct cargo description, and details of the exporter and the consignee, and
 - (b) The commercial invoice for the said exportation of such goods.
 - (iii) Authorized Courier agency/company shall pick such package(s) from the relevant enterprise's premise and shall scan the AWB number, which shall be uploaded to Courier agency's/company's Courier management system *via* GSM technology on real time basis.
 - (iv) BOI enterprises including HUB enterprises located inside the Export Processing Zone(s) (EPZs) shall prepare online gate passes (three gate passes) for goods intended for B2C based exportation through a registered Courier agency/company.
 - (v) The said gate passes shall be retained by the relevant enterprise and the copy each of gate pass shall be channelled to the Customs and to the BOI officials in charge of the designated exit gate(s) of EPZs at the time of moving out the goods for export through the said Courier agency/company under B2C operations/business.
- Provided however, the manual system of issuance of gate passes within an EPZ(s) will be continue until March 31, 2019.
- (vi) In the case of HUB enterprise(s) including BOI enterprise(s) located outside the EPZs, a single gate pass shall be generated, which shall be retained at the exit gate of the relevant enterprise.
 - (vii) No Customs Declaration (CusDec) for the Courier shipments of the relevant enterprise(s), sent through B2C operations/business required to be submitted by the relevant enterprise at the time of exporting, provided however, at the end of each month, the relevant enterprise shall submit a Bulk Export Customs Declaration (CusDec) to the AsyCuda system of the Sri Lanka Customs summarizing monthly exports done under the B2C operations through the registered Courier agencies/companies. Such bulk Export CusDecs shall be prepared on country wise basis. Provided further that, in the case of individual exporter(s) referred to in regulation in 2. (d) above, at the end of each month the relevant registered courier agency/company shall submit a Bulk Export CusDec to the AsyCuda system of the Sri Lanka Customs summarising monthly exports done by individual exporter(s) through such courier companies/agencies which shall be prepared on a country wise basis.
 - (viii) Courier agencies/companies shall allow B2C operations/business only through designated accounts and shall submit to Board of Investment (BOI) and Sri Lanka Customs a monthly summarized report in soft copy format, digitally signed, indicating the House Way Bill (Courier receipt) numbers and the goods description for each such enterprise/individual exporter. The Courier agencies/companies shall also retain the details of B2C exports in their systems for a period of five years and shall provide such details to Sri Lanka Customs and other Government Agencies in softcopy format if requested.

2.2 Following specific provisions shall apply in relation to specific enterprises or entities referred to below :

- (a) HUB enterprises, engaged in B2C operations/business, shall have their own warehouse management system.
- (b) BOI enterprises, engaged in B2C operations/business, shall have their own warehouse management system or inventory management system.

3. Three Specific Customs procedure codes shall be published by Sri Lanka Customs together with the relevant Departmental Order (DOPL) to facilitate B2C operations/B2C exports of,

- (a) Hub enterprises
- (b) BOI enterprises
- (c) Domestic enterprises and individual exporters

3.1 Goods of which movement and trading are prohibited or restricted in the Schedule B of the Customs Ordinance (Chapter 235) shall not be traded through the B2C operation/business.

3.2 Goods where the value of the consignment is above USD 3,000 shall also not be traded through the B2C operation/business.

3.3 Any fraudulent use of B2C/operation/facility shall be dealt with in terms of the Customs Ordinance (Chapter 235).

3.4 The co-ordination and monitoring of the B2C operation shall be under the purview of Director of Customs (Industries and Services). However, in the case of B2C operators mentioned in 2. (a) and 2. (b) above, the Board of Investment of Sri Lanka shall co-ordinate and facilitate the Sri Lanka Customs.

4. For the purpose of these regulations,

- (a) "B2C" means transactions conducted directly between any person identified in 2 (a) to (d) in this regulation and consumer(s) in another country/countries, who are the end-user(s) of its products.
- (b) the "Hub enterprise" means an enterprise, established or incorporated in Sri Lanka, approved by the Board of Investment of Sri Lanka, and engaged in any one or more of the business activities mentioned in the Finance Act - Commercial Hub Regulations No. 1 of 2013 as amended from time to time.
- (c) the "BOI enterprise" means an enterprise other than a HUB enterprise referred to in (b) above but approved under Section 17 of the Board of Investment of Sri Lanka Law, No. 4 of 1978 as amended from time to time and engaged in manufacturing or trading of goods.
- (d) the "any other registered business enterprise" means a company including a sole proprietorship, registered under the Registrar of Companies in Sri Lanka except the companies referred to in (b) and (c) above.
- (e) the "individual exporter" means a natural person of Sri Lanka.