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

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## PART I : SECTION (I) — GENERAL

### Government Notifications

L.D.-B. 3/2021 (II)

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

REGULATIONS made by the Minister of Investment Promotion in consultation with the Colombo Port City Economic Commission and the relevant Regulatory Authorities under Section 71 of the Colombo Port City Economic Commission Act, No. 11 of 2021, read with Sections 27, 36, 37, 39, 40 and 64 of that Act.

RANIL WICKREMESINGHE,  
Minister of Investment Promotion.

Colombo.

#### Regulations

1. These regulations may be cited as the Colombo Port City (Authorised Persons Engaged in Business) Regulations No. 1 of 2023.



## PART I

### **Dividends or other Financial Benefits payable by an Authorised Person**

2. A person or company referred to in subsection (5) of section 27 of the Act shall pay a dividend or any other financial benefit on the investment which forms part of such investment under that subsection to the investor in a designated foreign currency other than in Sri Lanka Rupees.

3. Where the Commission has leased out Marketable Land to a person or company under section 39 of the Act and a dividend or any other financial benefits accrues to the investor within a period of five years from the date of the lease paid, such dividend or other financial benefit shall be remitted into a Resident Foreign Currency Account of the investor maintained in the name of such investor with a licensed commercial bank.

## PART II

### **Conversion of Sri Lanka Rupees into Designated Foreign Currencies**

4. An authorised person engaged in business in and from the Area of Authority of the Colombo Port City, may accept payments in Sri Lanka Rupees in respect of any goods or services provided by such authorized person within the Area of Authority of the Colombo Port City to a citizen of Sri Lanka or resident, subject to the following conditions :-

- (a) any amount so accepted by such authorised person shall be deposited in a Sri Lanka Rupee Account maintained with a licensed commercial bank ;
- (b) the Sri Lanka Rupees received by the authorized person under this regulation may be utilized by the authorised person in the normal course of his business ; and
- (c) the amount referred to in paragraph (a), may be converted into a designated foreign currency only through a licensed commercial bank.

## PART III

### **Engaging in Business with a Citizen of Sri Lanka or Resident by an Authorised Person**

5. An authorized person who intends to engage in business in Sri Lanka with a citizen of Sri Lanka or a resident who is engaged in business in Sri Lanka outside the Area of Authority of the Colombo Port City in terms of subsection (1) of section 37 of the Act, shall make an application for such purpose to the Commission.

6. Upon receipt of an application under regulation 5, the Commission shall, after considering the matters contained therein, either issue an authorisation in writing to such authorised person to engage in such business, or for reasons to be recorded, refuse to issue an authorisation.

7. An authorised person to whom an authorisation has been granted under regulation 6 -

- (a) shall not engage in business for the sole purpose of transacting business with a citizen of Sri Lanka or a resident who is engaged in business in Sri Lanka outside the Area of Authority of the Colombo Port City ; and
- (b) shall generate more than half of the total revenue of his business, from business transacted with persons other than a citizen of Sri Lanka or a resident who is engaged in business in Sri Lanka outside the Area of Authority of the Colombo Port City.

8. Every authorisation issued under regulation 6 shall be subject to such terms and conditions specified therein.

9. The authorised person to whom an authorisation is issued under regulation 6 shall not be entitled to claim or receive any exemptions or incentives as provided for in the Part IX of the Act or under any other Part of the Act, in relation to such business.

10. The Commission may revoke an authorisation issued under regulation 6, if it is satisfied that the authorised person has violated any of the terms and condition of such authorisation.

#### PART IV

##### **Transfer, Lease or Rent of Marketable Land paid for in Sri Lanka Rupees**

11. A person who, or company which, has made payment for the lease or transfer of any Marketable Land in Sri Lanka Rupees and in turn transfers, leases or rents such property to a third party as provided for in section 39 of the Act shall remit the sum so received in a designated foreign currency into a Resident Foreign Currency Account maintained in the name of such person or company with a licensed commercial bank in Sri Lanka outside the Area of Authority of the Colombo Port City.

#### PART V

##### **Utilization of Retail Facilities**

12. A citizen of Sri Lanka or a resident may utilize retail facilities or services provided by an authorised person within the Area of Authority of the Colombo Port City upon making relevant payments in Sri Lanka Rupees.

13. The amounts of money received by an authorised person under regulation 12 may be converted into any designated foreign currency through a licensed commercial bank, or may be utilized in the normal course of business of such authorised person.

14. The retail facilities or services referred to in regulation 12 shall not include duty-free facilities or services within the Area of Authority of the Colombo Port City.

#### PART VI

##### **Interim Measures**

15. (1) An authorised person may, subject to the provision of the Act, engage in business from a designated location in Sri Lanka outside the Area of Authority of the Colombo Port City, upto May 26, 2026.

(2) A business referred to in sub-regulation (1) shall be entitled to all the privileges accorded to, and be deemed for all purposes to be, a business situated within and engaged in business, in and from the Area of Authority of the Colombo Port City and be subject to the provisions of the Act and any regulations made thereunder.

PART VII

**Interpretation**

16. in these regulations -

“Act” means the Colombo Port City Economic Commission Act, No. 11 of 2021 ;

“Commission” means the Colombo Port City Economic Commission established under the Act ;

“duty-free retail facilities or services” means retail facilities or services provided by an authorised person in possession of a duty-free licence issued by the Commission ;

“Marketable Land” means Government Marketable Land and Project Company Marketable Land issued within the Area of Authority of the Colombo Port City ;

“resident” shall have the meaning as in the Act ;

“Resident Foreign Currency Account” means a foreign currency account held by an investor with a licensed commercial bank, except the foreign currency accounts opened and maintained in terms of Directions No. 6 of 2022 and No. 7 of 2022 issued by the Central Bank of Sri Lanka under the Foreign Exchange Act, No. 12 of 2017 ; and

“retail facilities” means restaurants, cinemas, entertainment facilities, shopping facilities and parking facilities within the Area of Authority of the Colombo Port City ;

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