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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2334/39 - 2023 ජුනි මස 01 වැනි බ්‍රහස්පතින්දා - 2023.06.01
No. 2334/39 - THURSDAY, JUNE 01, 2023

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

L.D.-B 10/213

THE BOARD OF INVESTMENT OF SRI LANKA LAW, No. 4 OF 1978

REGULATIONS made by the Minister of Investment Promotion under Section 24 of the Board of Investment of Sri Lanka Law, No. 4 of 1978.

RANIL WICKREMESINGHE,
Minister of Investment Promotion.

Colombo,
May 31, 2023.

Regulations

The Board of Investment of Sri Lanka Regulations, No. 2 of 2006 published in the *Gazette Extraordinary* No. 1469/35 of November 02, 2006 is hereby amended by the repeal of item 20 of the Schedule to such regulations and the substitution therefor, of the following:-

“20. (1) the Board may enter into an agreement under Section 17 of the Board of Investment of Sri Lanka Law, No. 4 of 1978 with an existing enterprise which has not obtained the approval of the Board under the provisions of such Law or an enterprise which has obtained the approval under the provisions of Section 16 of such Law, -



- (a) that engages in an activity specified in Column I of the Table 1 hereto and fulfilling the applicable qualifying criteria specified in the corresponding entries in Column II and Column III of that Table, as may be approved by the Board; or
- (b) that engages in an activity specified in Column I of the Table 2 hereto and which transfers its local shareholding to a foreign shareholder subject to the provisions of the Land (Restrictions on Alienation) Act, No. 38 of 2014 and fulfilling the applicable qualifying criteria specified in the corresponding entries in Column II and Column III of that Table, as may be approved by the Board.

Table 1

<i>Activity</i>	<i>Qualifying Criteria</i>	
<i>Column I</i>	<i>Column II</i>	<i>Column III</i>
	<i>Investment</i>	<i>Export Percentage</i>
Manufacturing for Export including indirect exports	(a) Minimum additional investment of US\$ 250,000 (or its equivalent in Sri Lanka rupees); and (b) Total investment including the additional new investment to exceed US\$ 500,000 (or its equivalent in Sri Lanka rupees).	not less than eighty <i>per centum</i> (80%) of its output
Export of Services	(a) Minimum additional investment of US\$ 250,000 (or its equivalent in Sri Lanka rupees); and (b) Total investment including the additional new investment to exceed US\$ 500,000 (or its equivalent in Sri Lanka rupees).	not less than seventy <i>per centum</i> (70%) of its output
Hotel Industry	(a) Additional investment of US\$ 5,000,000 (US\$ 5Mn.) (or its equivalent in Sri Lanka rupees) for Hotel or any related activity; or (b) construct minimum of 50 additional rooms	-
Mixed Development	Additional investment of US\$ 5,000,000 (US\$ 5 Mn.) (or its equivalent in Sri Lanka rupees) for any project related activity.	-

Table 2

<i>Activity</i>	<i>Qualifying Criteria</i>	
<i>Column I</i>	<i>Column II</i>	<i>Column III</i>
	<i>Investment</i>	<i>Export Percentage</i>
Manufacturing for Export	Minimum value of share transfer of US\$ 1,000,000 (US\$ 1 Mn.) (or its equivalent in Sri Lanka rupees)	not less than eighty <i>per centum</i> (80%) of its output
Hotel under Construction	Minimum value of share transfer of US\$ 5,000,000 (US\$ 5Mn.) (or its equivalent in Sri Lanka rupees)	-

<i>Activity</i>	<i>Qualifying Criteria</i>	
<i>Column I</i>	<i>Column II</i>	<i>Column III</i>
	<i>Investment</i>	<i>Export Percentage</i>
Mixed Development project under Constuction	Minimum value of share transfer of US\$ 5,000,000 (US\$ 5 Mn.) (or its equivalent in Sri Lanka rupees)	-

(2) The Board shall incorporate the exemptions and modifications specified in paragraphs (vi) and (vii) of regulation 2 of the Board of Investment of Sri Lanka Regulations No. 1 of 1978 published in *Gazette Extraordinary* No. 8/2 of October 31, 1978 as amended, to any agreement entered into under Sub-item (1):

Provided that, the incorporation of the exemptions and modifications specified in above mentioned paragraphs in an agreement, shall not prejudice the right of any enterprise, of enjoying any benefit or privilege granted to it under the provisions of any other written law.

(3) For the purpose of Sub-item (1) –

- (a) The investment shall be calculated on fixed assets and the working capital. Such fix assets may include up to twenty five per centum (25%) of proposed investment being met through the project land value;
- (b) “indirect export” means the goods which are intended to be exported and supplied to another party for further processing and export.”.

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