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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2394/06 - 2024 ජූලි මස 22 වැනි සඳුදා - 2024.07.22
No. 2394/06 - 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. 24/1304/631/032 dated, July 09, 2024 has approved the designation of the business of the authorised person specified in Schedule I hereto as a Secondary Business of Strategic Importance;
- the rationale for considering such business as a Secondary Business of Strategic Importance 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 Secondary Business of Strategic Importance

1 . Name of the Authorised Person	HORIZON GROUP USA GLOBAL LLC
2 . Licence No.	2310250022
3 . Licence Issued Date	December 01, 2023 Business commencement date shall be within 6 months from the issuance of Licence (vide Regulation 27 fo the Regulations for Registration, Licensing, Authorisation and other Approvals of Authorised Persons No. 01 of 2022)
4 . Offshore Company Registration No.	PCC 00147820
5 . Classification of Business of Strategic Importance	Secondary Business of Strategic Importance
6 . Entitlement to the Exemptions or Incentives	HORIZON GROUP USA GLOBAL LLC is designated only as a Secondary Business of Strategic Importance and not eligible to be designated as a Primary Business of Strategic Importance
7 . Eligibility Criteria	Criteria specified in regulations 4(2)(d), (e), (i), (j) and 4(3)(a) of the Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance) Regulations, No. 2 of 2023, published in the <i>Gazette Extraordinary</i> No. 2343/60 of August 04, 2023
8 . Exemption or Incentive Scheme Applicable	Scheme specified in regulation 5 of the Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance) Regulations, No. 2 of 2023

SCHEDULE II

Rationale for the consideration of the Secondary Business of Strategic Importance

The objectives of the Colombo Port City Economic Commission, as stipulated in Section 5 of the Colombo Port City Economic Commission Act, No. 11 of 2021, have been considered in designating the business as a second Business of Strategic Importance, in order to ensure the success of establishing the Colombo Port City, having regard to the national interest or the advancement of the national economy as provided for in section 53(5) of the said Act.

HORIZON GROUP USA GLOBAL LLC, incorporated in the USA, is a wholly owned subsidiary of Horizon Group USA Inc. founded in 1912, Horizon Group USA Inc is a leading creator, developer and distributed of Fashion driven products for the Craft and specialty markets. It's diverse product lines include Kids' Arts and Craft Components, Activity Kits, Creativity Toys, Fashion Stationery, Back-to-School Supplies, Pet Accessories, Celebration and Party Supplies, and innovative educational tools such as S.T.E.A.M, an educational approach that uses Science, Technology, Engineering, the Arts and Mathematics as access points for guiding student inquiry, dialogue and critical thinking

with an annual turnover exceeding USD 200 Million, Horizon Group USA Inc, serves a broad customer base, including prominent retail chains such as Target, Walmart, Tesco, and Costco Wholesale, While employing approximately 400 professionals globally.

HORIZON GROUP USA GLOBAL LLC will operate as a Global Shared Service center within the Colombo Port city, providing Finance, planning, marketing backend operations and information technology services to Horizon Group USA Inc's global sourcing activities, employing approximately 31 individuals within the initial 3 years of operation, with an investment commitment of approximately USD 1,200,000 towards operational and capital expenditures during this period.

Further, in the long-term HORIZON GROUP USA GLOBAL LLC may expand its Colombo Port City operations to facilitate possible expansions to the European and Asian Markets developing the Colombo Port City as a central hub for global sourcing activities.

<p style="text-align: center;">SCHEDULE III</p> <p style="text-align: center;">Exemptions or Incentives Granted under the Enactments</p>	
<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 exempt from all taxes specified under this Act; (b) all payments made shall be exempted from the Withholding Tax specified under this Act;
2. Value Added Tax Act, No. 14 of 2002	all imports and local purchases of business-related goods and services as approved by the Commission, shall be exempt from taxes specified 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	all imports and local purchases of business-related goods as approved by the Commission, shall be exempt from all taxes, duties and levies specified under this Act
6. Customs Ordinance (Chapter 235)	all imports of business-related goods and services as approved by the Commission, shall be exempt from all taxes, duties and levies specified under this Act.
7. Ports and Airports Development Levy Act, No. 18 of 2011	all imports of business-related goods as approved by the Commission, shall be exempt from all taxes, duties and levies specified under this Act.
8. Sri Lanka Export Development Act, No. 40 of 1979	all imports of business-related goods as approved by the Commission, shall be exempt from all taxes, duties and levies specified under this Act.
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 is 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. 1 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 exemption or incentive 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 15, 2024	July 14, 2049
2 . Value Added Tax Act, No. 14 of 2002	July 15, 2024	July 14, 2049
3 . Finance Act, No. 11 of 2002	July 15, 2024	July 14, 2049
4 . Finance Act, No. 5 of 2005	July 15, 2024	July 14, 2049
5 . Excise (Special Provisions) Act, No. 13 of 1989	July 15, 2024	July 14, 2049
6 . Customs Ordinance (Chapter 235)	July 15, 2024	July 14, 2049
7 . Ports and Airports Development Levy Act, No. 18 of 2011	July 15, 2024	July 14, 2049
8 . Sri Lanka Export Development Act, No. 40 of 1979	July 15, 2024	July 14, 2049
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 15, 2024	July 14, 2049
11 . Entertainment Tax Ordinance (Chapter 267)	Not applicable	Not applicable
12 . Foreign Exchange Act, No. 12 of 2017	July 15, 2024	July 14, 2049
13 . Casino Business (Regulation) Act, No. 17 of 2010	Not applicable	Not applicable

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