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

අංක 2209/21 - 2021 ජනවාරි මස 05 වැනි අඟහරුවාදා - 2021.01.05  
No. 2209/21 - TUESDAY, JANUARY 05, 2021

(Published by Authority)

## PART I : SECTION (I) — GENERAL

### Government Notifications

#### STRATEGIC DEVELOPMENT PROJECTS ACT, No. 14 OF 2008

##### Notification under Section 3(2)

BY virtue of the powers vested in me in terms of Section 3(2) of the Strategic Development Projects Act No. 14 of 2008, as amended, I, Mahinda Rajapaksa, Minister of Finance, do by this Notification.

- (1) Identify as a Strategic Development Project for the purposes of the aforesaid Act, the Project to manufacture semi steel radial tyres and all steel radial tyres (Truck and Bus Radial Tyres - TBR, Passenger Car Radial Tyres - PCR) for export market at the site to be sub-leased from the Hambantota International Port in the Southern Province containing in extent One Hundred and Twenty-One Acres (121A-0R-0P) with a total investment of United States Dollars Three Hundred Million (US\$ 300, 000,000/-) out of which United States Dollars Two Hundred and Fifty Million and Two Hundred and Fifty Thousand (USD 250,250,000) shall be made in fixed assets of the Project, as a Project of national interest that is likely to bring economic and social benefits and also to change the landscape of the country. The company implementing the Project is Ceylon Tire Manufacturing Company (Pvt) Ltd ("Project Company").
- (2) Declare that the implementation and commencement of commercial operations of the Project shall be within Thirty-Six (36) months from the date of approval of the Cabinet of Ministers in terms of Section 3(3) of the Strategic Development Projects Act, No. 14 of 2008.
- (3) Specify that for the purposes of the aforesaid Project, in terms of the Strategic Development Projects Act, No. 14 of 2008 as amended, the proposed exemptions set out in the Schedule to this Notification shall apply to the Project Company.



SCHEDULE

**(a) Inland Revenue Act, No. 24 of 2017**

**Corporate Income Tax**

For a period of Twelve (12) years reckoned from the date of the approval of the Cabinet of Ministers in terms of Section 3(3) of the Strategic Development Project Act, No. 14 of 2008.

After the expiry of the aforesaid Twelve (12) years tax exemption period, the prevailing Corporate Income Tax rate at that time shall be applicable in respect of the profits generated by the Project of the Project Company.

**Income Tax on Employment**

The expatriate employees of the Project Company shall be exempted from income tax arising from gains and profits from employment in relation to the aforesaid Project for a period of Five (05) years subject to the maximum number of Fifteen (15) expatriates.

**(b) Value Added Tax Act, No. 14 of 2002**

The deferment facility for the capital and construction items shall be applicable within the provisions of the Value Added Tax Act, No. 14 of 2002.

The Value Added Tax ("VAT") exemption shall be deferred for the importation of raw materials subject to Eighty *per centum* (80%) of the output of the Project Company is exported.

**(c) Ports and Airports Development Levy Act, No. 18 of 2011**

The Project Company shall be exempted from the payment and charge of Ports and Airports Development Levy ("PAL") on all capital items imported during the Project implementation period of Thirty-Six (36) months and raw materials as described and permitted as referred in the Ports and Airports Development Levy Act, No. 18 of 2011.

**(d) Customs Ordinance (Chapter 235)**

Customs Duty shall be exempted for import of all Project related items including capital items, construction items, raw materials and consumables as approved by the Board of Investment of Sri Lanka excluding the items in the negative list published by the Ministry of Finance.

**MAHINDA RAJAPAKSA,**  
Minister of Finance.

Ministry of Finance,  
Colombo 01,  
January 05, 2021.

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