

Trade, Tariff and Investment Policy Circular No. 01

My No: TTIP/01/2007(1)  
Department of Trade Tariff and Investment Policy,  
Ministry of Finance and Planning,  
Colombo 01.  
2007.03.30

To : All Secretaries to Ministries  
Chief Secretaries of all the Provincial Councils  
and Heads of Departments

### **Importation of Motor Vehicles on Concessionary Terms**

This Circular spells out the scheme for importation of motor vehicles on concessionary terms by officers eligible under Section 01 of this circular and is effective from 25<sup>th</sup> April 2007.

#### **01. Eligibility**

The officers who satisfy requirements given below are entitled to obtain a permit for the importation of a motor vehicle on duty/tax concessions subject to the terms and conditions stipulated under Section 03 of this circular.

- (i) Officers holding a permanent post with a minimum of 05 years of continuous and active service under the category of 'Senior Level' of the respective services belonging to following salary groups, as mentioned in the Public Administration Circular 6/2006 of 25.04.2006.

|           |           |           |
|-----------|-----------|-----------|
| SL 1-2006 | SL 5-2006 | SF 1-2006 |
| SL 2-2006 | SL 6-2006 | SF 2-2006 |
| SL 3-2006 | SL 7-2006 | SF 3-2006 |
| SL 4-2006 | SL 8-2006 | SF 4-2006 |

- (ii) Officers of Parliament of Sri Lanka holding a permanent post mentioned in the Schedule I of this circular with a minimum of 05 years of continuous and active service.
- (iii) Officers of the Armed Forces holding a permanent post mentioned in the Schedule II of this circular with a minimum of 05 years of continuous and active service.
- (iv) Officers of the Universities of Sri Lanka and the University Grants Commission, holding a permanent post mentioned in the Schedule III of this circular with a minimum of 05 years of continuous and active service.
- (v) The 'active service' for the purpose of this concessionary scheme is calculated without taking the period under interdiction, under no pay leave or back-dating of an appointment to an eligible post, from the period of service of an officer.

## **02. Special Circumstances of Ineligibility**

Officers falling under any of the following circumstances will not be eligible to receive a permit to import a vehicle under this concessionary scheme.

- (i) Officers who have been appointed or placed on a salary scale to an eligible post as mentioned in Section 01 of this circular, being personal to them or on supernumerary basis.
- (ii) Officers who have imported a vehicle under Treasury Circular No. 866 of 22.02.1999 or under Treasury Circular No. 866(1) of 23.06.1999 or under Foreign Ministry Circular No. 165 of 07.04.2000 or under any other concessionary scheme during the 05 years prior to the date of submission of the application.
- (iii) Officers referred to in Section 01 of this circular, who are currently appointed on secondment basis or on no-pay leave to government projects.
- (iv) Officers who have been re-appointed to an eligible post referred to in Section 01 of this circular on contractual basis, subsequent to the retirement from public service.

## **03. Terms and Conditions**

- (i) The period of service of an officer for the purpose of this scheme is calculated from the date of appointment to the eligible post or date of promotion to the eligible post.
- (ii) Approval of the Secretary to the Treasury or the Director General of Department of Trade, Tariff and Investment Policy should be obtained prior to enter into any contractual obligations (i.e. opening of letter of credit) in respect of importation of a vehicle under this scheme.
- (iii) An eligible officer is entitled to import only one unit of vehicle under this scheme irrespective of the number of posts he/she holds.
- (iv) Approval is granted only for the importation of a Brand New Vehicle under this scheme. Cars, jeeps, single cabs and double cabs are treated as eligible types of vehicles for the purposes of this circular.
- (v) Eligible officers under this scheme should disclose their income to the Commissioner General of Inland Revenue. Accordingly, the Commissioner General of Inland Revenue will issue a certificate on the income tax status of the eligible officer concerned.
- (vi) The vehicles imported under this scheme should not be sold, transferred, leased, rented or disposed in any other manner till the expiry of 05 years from the date of importation of the vehicle.
- (vii) An entry to the effect that the vehicle imported under this scheme cannot be transferred without prior approval of the Secretary to the Treasury will be made by

the Commissioner of Motor Traffic on the vehicle registration certificate. This entry will be valid for 05 years from the date of importation. In addition, the Commissioner of Motor Traffic will place a special identification symbol on the number plate of the vehicle.

- (viii) In the event of demise of a permit holder under this scheme whilst the letter of credit has been opened or vehicle has been shipped or prior to lapse of the period of validity of the permit, or prior to lapse of five years after the importation of a vehicle under this scheme, the legal entitlement of the permit holder under this scheme will be vested with his/her spouse.
- (ix) If a permit holder decides to transfer the vehicle with the approval of the Secretary to the Treasury, prior to expiry of five years from the date of importation, the difference between the applicable duties/taxes based on the depreciated value as calculated by the Sri Lanka Customs on the date of transfer and the duties/taxes paid at the time of importation of the vehicle by the permit holder/importer has to be paid to the Sri Lanka Customs.
- (x) Action will be taken under the Customs Ordinance, if a vehicle imported under this scheme, is sold, transferred, leased, rented or disposed in any other manner before the expiry of the period of 05 years without approval of the Secretary to the Treasury or in the event of violation of any of the terms and conditions stipulated under this scheme.
- (xi) If the vehicle imported by a permit holder exceeds the cylinder capacity or/and C.I.F. (Cost, Insurance, Freight) value stipulated in the permit, he/she is not entitled to the concessions under this scheme. It is the responsibility of the permit holder to be aware of the fluctuations of exchange rates, as it could affect the C.I.F. values stipulated in this scheme.
- (xii) Vehicle imported under this scheme will be free of all terms and conditions stipulated under this scheme, after the lapse of five years from the date of importation.

#### **04. Duty/Tax Concessions**

- (i) The details in respect of type, maximum cylinder capacity and C.I.F. values of the vehicle that can be imported under this scheme are given in Annexure I.
- (ii) The aggregate of Import Duty and Value Added Tax payable in respect of the vehicle imported under this scheme is given as a percentage of the C.I.F value in Column (6) of Annexure I. In addition, a specific percentage of Excise (Special Provisions) Duty imposed for this scheme in terms of Section 3 of the Excise (Special Provisions) Act, Cess, Ports and Airport Development Levy, Regional Infrastructure Development Levy, Social Responsibility Levy and any other levy that will be imposed from time to time, are required to be paid by the permit holder/importer under this scheme.
- (iii) Eligible officers may choose one of the options as applicable, given in Annexure I.

## **05. Procedure**

- (i) An eligible officer, who wishes to import a vehicle under this scheme, shall make an application which appears in Annexure II. The application should be recommended by the Secretary to the Ministry/Chief Secretary of the Provincial Council by him/herself.
- (ii) If the Director General of Department of Trade, Tariff and Investment Policy or an officer authorized by him, is satisfied with the information and data given in the application, a permit for duty/tax concessions will be issued along with copies to the Director General of Customs and Commissioner General of Inland Revenue.
- (iii) The Director General of Customs will grant the duty/tax concessions, if he is satisfied that the terms and conditions given in the permit issued by the Director General of the Department of Trade, Tariff and Investment Policy or an officer authorized by him, have been fulfilled.

## **06. Other Matters**

- (i) Matters pertaining to any uncertainties regarding the provisions of this circular, will be referred to a Committee consisting of the Director General of the Department of Public Finance (Chairman), Director General of the Department of Management Services, Director General of Establishment, and a representative of the National Salaries and Cadres Commission to make appropriate recommendations to the Secretary to the Treasury. The Secretary to the Treasury is vested with power to take the final decision on such matters.

Sgd/

**P. B. Jayasundera**

Secretary to the Treasury and  
Secretary Ministry of Finance  
and Planning

- Copies to:
1. Secretary to the President
  2. Secretary to the Prime Minister
  3. Secretary to the Cabinet
  4. Auditor General
  5. Director General of Establishment
  6. Commissioner General of Inland Revenue
  7. Director General of Customs
  8. Director General, Department of Public Finance
  9. Director General, Department of Management Services
  10. Secretary, National Salaries and Cadres Commission
  11. Commissioner of Motor Traffic

## Annexure I

| Category<br>(1) | Period of service in an eligible post<br>(2)  | Type of vehicle<br>(3) | Maximum Cylinder Capacity<br>(4) | Maximum C.I.F. Value (U.S. Dollars)<br>(5) | Aggregate of import duty and VAT as a % of CIF value, to be paid by the importer<br>(6) |
|-----------------|---|------------------------|----------------------------------|--|---|
| Category I      | Officers who have satisfied the minimum eligibility criteria stated in Section 01 of this circular  | Petrol                 | 1300 cc                          | 11,500                                     | 25  |
|                 |   |                        | 1600 cc                          | 12,500                                     | 35  |
|                 |   | Diesel                 | 2000 cc                          | 14,000                                     | 40  |
| Category II     | Officers who have completed a minimum of 05 years of service, having satisfied the minimum eligibility criteria stated in Section 01 of this Circular | Petrol                 | 1300 cc                          | 11,500                                     | 25  |
|                 |   |                        | 1600 cc                          | 12,500                                     | 35  |
|                 |   |                        | 1800 cc                          | 14,000                                     | 40  |
|                 |   | Diesel                 | 2000 cc                          | 14,000                                     | 40  |
|                 |   |                        | 2800 cc                          | 16,000                                     | 45  |



3. (i) Whether a vehicle has been imported during the last 05 years under any concessionary scheme:  
(ii) If so, the date of importation of such vehicle:
4. The details of vehicles intended to be imported
  - (i) Class/make and model:
  - (ii) Whether Diesel or Petrol:
  - (iii) Cylinder capacity:
  - (iv) Name of the Bank and the branch of the Bank where letter of credit will be opened:
  - (v) The applicable category as per Annexure I of the Circular:

I do hereby declare that the particulars furnished above are true and accurate to the best of my knowledge. The Secretary to the Treasury shall be informed of any change in regard to information given above with no delay. Further, I am aware of the fact that if information furnished here are found to be false, duties, taxes and other levies waived off at the time of importation of the vehicle concerned will be recovered from me and in the event of violation of any of the relevant terms and conditions stipulated in the Circular, I will be subjected to legal actions in terms of the Customs Ordinance

Date :

Signature of Applicant

My No:

Secretary,  
Ministry of .....

I certify that the particulars given under 1, 2 and 3 of the application have been examined and are correct and Mr./Mrs./Miss .....is eligible for this concession.

I recommend the grant of approval to Mr./Mrs./Miss .....for importation of a motor vehicle on concessionary terms under Trade, Tariff and Investment Policy Circular No 01.

Date:

Head of the Department/Institution  
signature and seal

Application Serial No.

My No:

Director General,  
Department of Trade, Tariff and Investment Policy

I am satisfied with the accuracy of particulars provided by the applicant and recommend grant of approval to Mr./Mrs./Miss ..... for the importation of a motor vehicle under Trade, Tariff and Investment Policy Circular No.01.

Date:

Secretary,  
Ministry of .....  
Signature and seal

## Schedule I

Parliament : Secretary-General of Parliament  
Deputy Secretary-General of Parliament  
Assistant Secretary-General of Parliament  
Segment-at-Arms  
Editor of Hansard  
Coordinating Engineer  
Director  
Deputy Segment-at-Arms  
Chief Parliament Interpreter  
Librarian  
Deputy Director (Administration)  
Accountant  
Deputy Editor of Hansard

## **Schedule II**

|                     |   |                              |
|---------------------|---|------------------------------|
| Sri Lanka Army      | - | Lieutenant Colonel and above |
| Sri Lanka Air Force | - | Wing Commander and above     |
| Sri Lanka Navy      | - | Commodore and above          |

### **Schedule III**

#### **Universities**

Chancellor  
Vice Chancellor  
Professor  
Associate Professor  
Senior Lecturer  
Lecturer  
Librarian  
Deputy Librarian  
Director  
Engineer (Grade I and II)  
Medical Officer  
Dental Surgeon  
Registrar/Deputy Registrar/Senior Assistant Registrar  
Bursar/Deputy Bursar/Senior Assistant Bursar

#### **University Grants Commission**

Secretary  
Additional Secretary  
Financial Controller  
Accountant  
Chief Internal Auditor  
Deputy Secretary  
Deputy Accountant  
Deputy Internal Auditor  
Senior Assistant Secretary  
Senior Assistant Accountant