

Trade and Investment Policy Circular No: 01/2018

Secretary to the President
Secretary to the Prime Minister
Secretary to the Cabinet of Ministers
Secretaries of Ministries
Secretaries of Commissions
Chief Secretaries of Provincial Councils
Heads of Departments
Heads of Public Corporations and Statutory Bodies

Scheme for Issuance of Motor Vehicle Permits on Concessionary Terms

The Trade and Investment Policy Circular Nos. 01/2016, 01/2016 (I) and 01/2016 (II) are hereby rescinded and this Circular is issued in place of those Circulars.

This Circular provides provisions for the senior level executive grade officers who hold administrative, management posts and professionals in Government Service, State Corporations and Statutory Bodies to import motor vehicle/to purchase locally assembled motor vehicle under concessionary terms.

This permit and relevant facilities should not be considered as a privilege and these are liable to policy decisions time to time taken by the government.

01. Entitled categories

Officers serving in following senior level executive administrative, management, or professional post confirmed in Government service, State Corporations, and Statutory Bodies, who have completed prescribed active service period in such post or posts and confirmed in same post or posts are entitled to this permit

- 1.1 Officers who have completed six (06) years active service period and confirmed at a "senior level" executive post as mentioned in Schedule III of the Public Administration Circular No. 03/2016 dated 25.02.2016.
- 1.2 Officers who have completed six (06) years active service period and confirmed at a "senior level" executive post in Parliament of Sri Lanka.
- 1.3 Officers who appointed as per a decision of the Cabinet of Ministers and have completed six (06) years active service period and confirmed at a "senior level" executive post in a Government Institution (other than the Public Corporations and Statutory Bodies).

- 1.4 Officers who have completed six (06) years active service period and confirmed at the post of Lieutenant Colonel in Sri Lanka Army, Wing Commander in Sri Lanka Air Force or Commander in Sri Lanka Navy or higher rank or higher ranks of Three Forcers.
- 1.5 Officers who have completed six (06) years active service period at the posts of Medical Officers, Engineers, Accountants, Architects and Attorneys at Law and confirmed at the posts in the Three Forces (without considering the rank of the Forces)
- 1.6 Officers who have been appointed as per a decision of the Cabinet of Ministers and completed twelve (12) years active service period and confirmed at "senior level" executive posts in State Corporation or Statutory Bodies.
- 1.7 Officers who have completed six (06) years active service period and confirmed at "senior level" posts in the academic cadre or "senior level" executive posts in non academic cadre of the State Universities.
- 1.8 Executive grade officers who have completed twelve (12) years active service period and confirmed at "senior level" posts in the Central Bank of Sri Lanka.
- 1.9
 - i. Officers who have completed twelve (12) years active service period in State Corporations or Statutory Bodies and confirmed at "senior level" executive posts as defined in the Schedule III of the Management Service Circular No. 02/2016 of 25.04.2016 within the cadre approved by the Department of Management Services and,
 - ii. Chartered Engineers, Chartered Accountants and Chartered Architects who have completed nine (09) years active service period in State Corporations and Statutory Institutions and confirmed at a "senior level" executive posts as defined in the Schedule III of the Management Service Circular No.02/2016 of 25.04.2016 within the cadre approved by the Department of Management Services,
- 1.10 Chancellors of the Universities.
- 1.11 "Registered Medical Officers" who have completed six (06) years active service period in grade I and confirmed at a post of "Registered Medical Officer"
- 1.12 Project Directors, Chartered Engineers, Chartered Accountants, Chartered Architects and Attorneys at Law who have completed nine (09) years active service period (even under the contract basis) appointed to a government development project or nine (09) years active

service period as an aggregate of several such projects (even under the contract basis) of the government.

- 1.13 Chairmen or members who have completed three (03) years active service period in a Commission established as per the provisions of the Constitution of the Democratic Socialist Republic of Sri Lanka.

02. Categories not entitled under the scheme

Following officers are not entitled for vehicle permits under this Circular.

- 2.1 Officers who have already imported/purchased motor vehicles twice or more than twice using motor vehicle permits under any concessionary scheme by the effective date of this Circular.
- 2.2 Officers who have been released on no pay leave (subject to Section 3.4 in this Circular)
- 2.3 Officers who have been appointed to an entitled post personal to them or on supernumerary basis.
- 2.4 Officers who have been appointed to an entitled post on contract basis after retirement from the public service (Other than the officers mentioned under the Section 1.12 above)
- 2.5 Officers against whom a primary investigation or disciplinary action has commenced and not yet completed in accordance with the provisions of the Establishment Code or Administrative Procedure or Rules followed by the respective institution.
- 2.6 Officers who have not exceeded ten (10) years period from the date of opening a letter of credit to import a motor vehicle/date of first payment made to purchased locally assembled vehicle under any previous concessionary scheme
- 2.7 Officers who are serving in a post created by the Institution out of the cadre approved by the Department of Management Services.

03. Terms and Conditions,

- 3.1 Officers are entitled only for maximum number of two motor vehicle permits during their service period under this scheme.
- 3.2 A permit can be issued to the applicant subjected to the provisions of the Circular only if the permit holder proved that a permit obtained previously on concessionary terms has not been used. However, in failure to do so it is considered that such permit has been used.

- 3.3 Service period for issuance of permit can be calculated as an aggregation of service periods in several eligible posts under the above categories from "1.1" to "1.9" and relevant applications should be forwarded to the Department of Trade and Investment Policy together with the recommendation of the relevant Secretary and a decision will be given or actions will be taken in accordance with the provisions provided in Section 9.1 herewith as per the requirement.

However, if an officer who had served in an eligible post in Government service, state corporations or statutory body and resigned from the post on a reason other than for assuming duties of such position in an institution or whose service has been terminated by an order of vacating the post has been again appointed to an eligible post, the service period of such previous post/service period before vacating the post is not calculated to grant this privilege.

- 3.4 For the purpose of this Circular, active service period means the service period of the officer in an eligible post exclusive of the period backdated for appointment on interdiction or on obtaining no pay or half pay leave or on any other reason.

Whenever the officers in government service, State Corporation or Statutory Bodies have been temporary released on no pay leave for the government service, State Corporation or Statutory Institution on Cabinet approval such service period is calculated for their active service period. No pay leave for post graduate studies, sabbatical leave for the university cadre and half pay and no pay maternity leave shall be calculated for the active service period for the purpose of this Circular.

- 3.5 Even if the backdated service period is not calculated for issuance of motor vehicle permit on concessionary basis, when any officer has been properly appointed (by a proper appointment letter issued by the appointing authority) to act in an eligible post within the backdated period and he/she has served in the post accordingly, such service period can be calculated for the above privilege.

- 3.6 In case of removing supernumerary basis or personal to the post from the post of officers given on supernumerary basis or personal to the posts, service period considered for issuance of permit is calculated based on the effective date of such removal (date on which the general service basis is applicable) and not the date decided to remove it. However, this service period shall be made relevant only to calculate the service period in an eligible post. Even if the permit holder is entitled to several permits during the relevant period, only one permit should be issued under the Circular which is effective at the removal date of the relevant basis.

- 3.7 If the relevant permit holder has retired when the "personal to the post" or "on supernumerary basis" are removed as per the 3.6 above, this concession could be granted if he was eligible as per this circular at the date of retirement and a circular similar to this was effective during the period after the date of eligibility and before date of retirement of the officer to obtain a permit. In such cases the permit should be issued by the Secretary of the Ministry where the officer was serving for the last.
- 3.8 If an officer eligible under this Circular died before obtaining the permit, his/her spouse or his legal heir/heirs when there is no spouse can obtain the permit on producing a request and an application. However, when there are several legal heirs, the legal heir who gets the consent of all other legal heirs will have the opportunity to get the permit.
- 3.9 In cases where the decision of a disciplinary action taken against an officer has been given after his retirement acquitting and discharging him from all the charge against him, he can have the permit entitled to him under the provision of this Circular, if this Circular is effective at the time being.
- 3.10 Recommendations made by the relevant Secretary should be forwarded to the Director General, Department of Trade and Investment Policy to take the final decision regarding the matters mentioned in paragraphs 3.5, 3.6, 3.7 and 3.8. When such requests are received, a decision will be given after further examinations or whenever necessary, actions will be taken as per the Section 9.1.

04. Limits for the vehicle

Under a permit issued under this circular, the permit holder can import any type of motor vehicles or double cabs of any CIF value (without a limit for CIF value) falling under Harmonized System Headings (HS headings) 87.03 or 87.04 within the approved age limit for importation to the country or purchased a locally assembled vehicle.

05. Taxes payable

Tax imposed under the Excise Duty (Special Provisions) Gazette Extraordinary No. 2058/34 dated 15.02.2018 issued by the Minister in charge of the subject of Finance under Excise Duty (Special Provisions) Act and amendment to this notification from time to time shall be paid to the Sri Lanka Customs by an officer who imports motor vehicles/ cabs by a permit issued subject to the limits of the No.4 above under this Circular or Trade and Investment Policy Circular No. 01/2016 and amendments to the same Circular.

06. Conditions for Registration and Transferring

6.1 Registration

First registration of a motor vehicle purchased using a permit issued under this Circular or Trade and Investment Policy Circular No. 01/2016 should be made only in the name of the permit holder.

6. II Transferring

- 6. II. a The Commissioner General of Motor Traffic can transfer a motor vehicle/ cab obtained using a permit issued under this Circular at any time on the request of its owner and a motor vehicle/ cab imported under Trade and Investment Policy Circular No. 01/2016 and amendments to that Circular and released from the Sri Lanka Customs under the tax concessions of this Circular on the request of the owner of the vehicle.
- 6. II. b In transferring a motor vehicle/ cab that is released from the Sri Lanka Customs under the tax concession of the Trade and Investment Policy Circular No. 01/2016 (II) and imported using a permit issued under the Trade and Investment Policy Circular No. 01/2016 and amendments to that Circular to another party, the provisions in that Circular (Circular No. 01/2016 (II)) will be applied.
- 6. II. c The Commissioner General of Motor Traffic can transfer a motor vehicle/ cab, imported using a permit issued under Trade and Investment Policy Circular No. 01/2016 and amendments to it and released from Sri Lanka Customs under any tax concession that is not covered by 6.II. a and 6.II. b above, to another party at any time on the request of the owner of the vehicle.

07. Other Terms and Conditions

- i. The condition (A fee of 10% of the CIF value should be paid to the Commissioner General of Motor Traffic) as mentioned in the Circular No.01/(02)/2013 dated 25.03.2014 in relation to transfer of motor vehicles obtained under the provisions of the Circular No.1/2013 effective up to 20.11.2015, will be further effective.
- ii. If any information furnished by the officer to prove the eligibility for obtaining the permit is proved false, the issued permit will be cancelled. If motor vehicle has been already imported/ purchased, actions will be taken in accordance with the relevant laws. Legal and disciplinary actions will be taken in relevant to furnishing such false information.

- iii. The issued permit is valid until a motor vehicle is imported/ purchased. However government is not responsible for any loss or damage incurred due to any revision to this Circular in implementing policy decisions taken by the government time to time, in keeping the permit without importing/purchasing a vehicle.
- iv. If the issued permit or it's bank copy of it is misplaced, it should be immediately complained to the police and request for cancellation of permit should be made to the Secretary who issued the permit with a copy of the complaint. Relevant authority on the receipt of such request, should immediately cancel the misplaced permit and inform the Director General of Customs and Commissioner General of Motor Traffic. If this Circular is effective at the time being, another permit can be issued to the officer again in submitting an application following the prescribed procedure, after obtaining a written proof from Sri Lanka Customs that the relevant permit has not been used.
- v. Letter of Credit should be opened to the name of the permit holder following the prescribed procedure for importation of motor vehicle / Receipt should be obtained on payment made for purchasing a locally assembled motor vehicle.
- vi. The officers who have been subjected to major punishments under the Section 24.3 of Volume II of the Establishment Code, or similar punishments under any other provision for the offences mentioned in the schedule I of the Chapter 48 of the same, will be eligible for this privilege only after exceeding a minimum period of five years with good conduct from the date committed the offence.
- vii. In case of calculating the applicable service period to grant a permit for such officers, the service period mentioned in the provisions from 1.1 to 1.13 and 2.6 of this circular should be compulsorily completed and in addition to that, the service period with good conduct from the date of offence committed should also be completed.

08. Procedure for applying the permit

- 8.1 Only the officers who are eligible to obtain permit under this scheme shall submit an application as per specimen in "Annex III" of this Circular (Applications should be completed only in English languages for the convenience of computerization). Information declared in applications is considered as a legal declaration. Therefore, the responsibility for delaying or loss of the permit due to furnishing unclear information, request particulars not only filled and furnishing false information should be borne by the applicant himself.
- 8.2. Completed application should be submitted to the relevant Head of the Department / institution together with the following documents.

- i. When applying a permit for the first time, certified copies of appointment letter and letter issued at the confirmation of the service.
- ii. When applying a permit for the second time, photocopy of a Letter of Credit opened to obtain a motor vehicle under the tax concessions or a receipt obtained on payment of first installment for purchasing a locally assembled motor vehicle in the first time.
- iii. When applying new permit for a misplaced permit, a copy of the complaint made to a police station and a copy of the letter for cancellation of the relevant permit in addition to the above documents, as applicable.
- iv. In addition to these documents, any other document that is considered as appropriate by the authorized officer to prove the identity of the applicant to issue the permit.
- v. If the officer authorized for issuance of the permit supposed that it is appropriate to further examine the detail regarding the motor vehicles obtained earlier under concessionary scheme, it should be certified in referring to the Sri Lanka Customs or the Department of Motor Traffic.

8.3 As this permit is issued based on the information furnished by the permit holder, the Head of the Department/Institution should recommend the application after verifying the accuracy of the furnished information and certifying that false information has not been provided and the officer authorized to issue the permit should satisfy with the provided information before issuance of the permit.

8.4 Authority for issuance of motor vehicle permits under this scheme is hereby given to the Secretaries to the Ministries mentioned in the Annex II of this Circular. Copies of each and every permit issued should be forwarded to relevant files and institutions at the issuance of the permit as follows:

- i. Personal file of the permit holder
- ii. Director General - Department of Trade and Investment Policy
- iii. Director General - Sri Lanka Customs
- iv. Commissioner General - Department of Motor Traffic
- v. Auditor General - Department of Auditor General

8.5 Copy of the Custom Declaration (CUSDEC) for the imported vehicle or invoice for locally purchased motor vehicle should be provided to the work place of the permit holder to file in his personal file immediately after importation/purchase of the vehicle under this scheme and the Head of the Department/Institution should satisfy that it has been filed in the personal file of the officer.

9. Other Matters

9.1. Matter relevant to any uncertainties or interpretations in respect of eligible posts for permit and provisions of this scheme shall be referred to the Director General, Department of Trade and Investment Policy. Final decision will be given by examining the matter or it will be forwarded to the Committee chaired by a Deputy Secretary to the Treasury if the matter is to be further examined.

9.2. It is the responsibility of Secretary of the Ministry to issue the permits only for eligible officers as per the provisions of this Circular.

9.3. Following details relevant to the motor vehicles imported or locally purchased under this scheme should be submitted monthly by the Sri Lanka Customs or the local supplier of the motor vehicle respectively to the Director General, Department of Trade and Investment policy and Director General, Department of Fiscal policy within the first two weeks of the incoming month.

(i) Permit Number

(ii) Name, NIC No., designation, institution and Ministry of the permit holder

(iii) Value of the Motor Vehicle

(iv) Details of taxes (total, written off tax and levied tax)

9.4. Commissioner General of Motor Traffic has the authority to take necessary actions in relation to requests for transferring the vehicles imported/purchased using permits issued under Circular No. 10/2016 and its amendments and circular No. 01/2013 which were effective before this circular, to another party, after fulfilling the conditions for changing the registration mentioned in registration certificate of such vehicles confirming that the relevant conditions have been fulfilled.

9.5 For proper maintenance of information in relation to permits issued under this scheme, application form submitted under this scheme and instruction for numbering the application are given in the "Annex I" herewith.

9.6 Opportunity given to the public officers to import/purchase motor vehicle under tax concession according to the post they are holding is a special privilege provided personal to them. Transfer of motor vehicle imported/purchased to another party violating the conditions mentioned in this Circular is a punishable offence. The permit holder should ensure not to violate the relevant conditions and in such violations legal actions will be taken against them. Further, all the officers eligible under this Circular is responsible to implement this scheme preventing the adverse effect to the government revenue due to the fact that any irregularity is taken place using concessionary permits.

9.7 This Circular and the tax concessions will be effective from the date of 16.02.2018.

Sgd : R.H.S. Samaratunga
Secretary to the Treasury and
Secretary, Ministry of Finance and Mass Media

Copies:-

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| 01. Auditor General | -f.n.a. pl |
| 02. Governor, Central Bank of Sri Lanka | -f.n.a. pl |
| 03. Director General, Dept. of Trade and Investment Policy | - to take actions accordingly |
| 04. Director General, Dept. of Fiscal Policy | -f.n.a. pl |
| 05. Director General, Sri Lanka Customs | -f.n.a. pl |
| 06. Director General, Dept. of Management Services | -f.n.a. pl |
| 07. Director General, Dept. of Public Enterprises | -f.n.a. pl |
| 08. Commissioner General, Dept of Motor Traffic | -f.n.a. pl |
| 09. Commissioner General, Dept. of Inland Revenue | -f.n.a. pl |
| 10. Director General, Dept. of Management Audit | -f.n.a. pl |