

- TIEP holder who has good track record of more than 05 years may apply 100% personal guarantee or corporate guarantee.

★ *All guarantees are valid for a period of one year.*

### **Discharge of Guarantees**

At the end of one year from the date of commencement of the production TIEP holder should submit to the Director General of Customs a statement on production and exports and or supplies or such product to exporters respectively, duly certified by a recognized auditor in Form – TIEP V [In Triplicate].

After discharge of the guarantee, the TIEP holder should give a written undertaking to the Director General of Customs that the items imported under this scheme will not be sold, hired, leased, disposed of or used for any other purpose other than for which the items were allowed importation, without the prior approval of the Director General of the Customs.

### **ABOUT THE SCHEME**

To provide duty and tax free importation of Capital and Intermediate Goods in order to encourage expansion of production capacities and exports.

**We** encourage and support Importers, Manufacturers and Exporters to make maximum use of facilitation schemes managed by the Bonds Division.

Separate brochures are available on

- Customs Bonded Warehouses
- Entrepot Trade
- Duty Rebate Scheme
- **Temporary Import for Export Processing [TIEP - 1]**
- Temporary Import for Export Processing [TIEP - IV]
- Import and Export of Gems and Jewellery

*For assistance and more information :*

Deputy Director of Customs  
Superintendent of Customs  
Duty Rebate Unit

Tel. No.  
2327747  
2437071  
2470945  
2470949

Export Facilitation Unit  
Bonds Division  
1<sup>st</sup> Floor  
Customs House  
Bristol Street  
Colombo 1.

**Sri Lanka Customs Website :**  
[www.customs.gov.lk](http://www.customs.gov.lk)

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## **TECHNOLOGY FOR HIGH QUALITY PRODUCTION**



**THE SCHEME FOR  
GRANTING EXEMPTION OF  
FISCAL LEVIES ON CAPITAL  
AND INTERMEDIATE GOODS**

## **TIEP IV**

*Sri Lanka Customs*

*This Scheme permits whole or partial exemption of the Fiscal Levies on imported Capital and Intermediate Goods used for the manufacture of products and services for export.*

### ***Capital and Intermediate Goods eligible for exemption***

- Capital goods directly involved in production process;
  - Machinery
  - Equipment
  - Accessories etc.
- Intermediate Goods which are considered essential to the manufacturing process [excluding raw material];
  - Appliances
  - Devices
  - Supporting equipment such as Air conditioners, computers, electricity generators etc.
- Other essential equipments.
- Spare parts of project plants.
- Transport equipment and handling equipment which are used in the production process exclusively in the factory premises or place of production.
- Breeding stocks for agricultural projects.

### ***Who are permitted to operate***

#### ***Direct Exporters***

Manufacturers who manufacture goods for exports

#### ***Indirect Exporters***

Manufacturers who produce goods as inputs for other industries manufacturing goods for export.

### ***Facilities Available***

Duty and tax exemption granted under the scheme are :

- 100% exemption in the case of exporters who export 50% or more of their output and indirect exporters who supply 50% or more of their output to direct exporters.
- 50% exemption for exporters who export 25% or more of their output and indirect exporters who supply 25% or more of their output to direct exporters.
  - ★ *Supplies of products to BOI enterprises who are entitled for duty free import of such goods are considered as deemed exports.*

### ***Procedure for Approval***

- Direct exporters or indirect exporters should apply to the Director General of Customs, in prescribed form [TIEP IV] for approval.
- Forms could be obtained from Export Facilitation Unit of the Bonds Division.

### ***Documents needed for registration***

- Duly completed prescribed form [TIEP-IV] **in triplicate.**
- Project report.
- Certificate of VAT Registration.
- Business Registration [form 65]
- Memorandum of Article [Form 48].
- Other necessary approvals [Tea Board, Coconut Development Board etc..] wherever applicable.

### ***Types of Approval***

- General approval for a period of one year from the date of Approval.
- Specific approval will be given when applications are made for single importation [each and every time].

### ***Securities***

- The security / bank guarantee equal to the full value of the duty and other taxes payable excluding VAT.
- TIEP holder should furnish a personal / corporate Bank Guarantee to the Customs as determined by the DGC after one year of operation.
- New TIEP holders who import for the first time should furnish a 100% Bank Guarantee.
- TIEP holder who has a good track record of less than 03 years may furnish a 25% Bank Guarantee and a 75% Personal Guarantee.