

# **EXPORT PROCEDURE OF SRI LANKA**

Compiled by

Mr. S.R.B.N.Piyasiri

Deputy Director/Services Division EDB

Tel: 2303026

Fax: 2300727

Email: piyasiri@edb.tradenetsl.lk

---

1. A person exporting any article of commercial value from Sri Lanka is required to register with following institutions.

- Sri Lanka Export Development Board (EDB Reg. Number)
- Inland Revenue Department – Obtain Tax Identification No. (TIN & VAT Number)
- Sri Lanka Customs (Registration of TIN & VAT Number)

To register with the above institutions the exporter is required to produce the original Business Registration Certificate or Certificate of Incorporation.

## **2. PRODUCT WISE REGISTRATION**

The exporters of following items should be registered with authorities concerned annually,

### **2.1. Tea**

Sri Lanka Tea Board Registration fee is Rs. 10,000/- and annual renewal charge is Rs.1000/-

### **2.2. Coconuts & Coconuts Products**

The exporters of coconut products should be registered with the Coconut Development Authority (CDA).The registration fees are as follows:

- \* Kernel products - Rs.3000/-  
(copra, desiccated coconut, coconut oil, coconut milk etc.)
- \* Coconut shell products - Rs.1000/-
- \* Coconut fiber products - Rs. 1000/-

### **2.3. Gems & Jewellery**

The exporters of Gems & Jewellery should be registered with the National Gems & Jewellery Authority (NGJA).In addition to annual registration all exporters of gems must obtain gem dealers license. A license fee should also be paid.

### **2.4. Textiles & Readymade Garments**

All exporters of garments should be registered with the Ministry of Textile Industry Development. All enterprises registered under BOI law should be registered with the BOI.

### **3. PRODUCTS UNDER LICENCE CONTROL**

Three items are subject to export licence issued by the controller of imports and exports.

<b><u>Items</u></b>	<b><u>Recommending Authority</u></b>
• Coral chanks conch shells other than chanks	Ministry of Fisheries and Aquatic Resources Development
• Wood including logs & Sawntimber	Department of Forest
• Article of Wood (ebony)	National Crafts Council and Department of Forest

### **4. PRODUCTS PROHIBITED OR RESTRICTED FOR EXPORTS**

Dead or live animals or its parts. Permits are issued for research purposes and for exchange with foreign zoos and museums.

- Antiquities/Cultural Property
- Dangerous drugs
- Explosives
- Live Fish
- Minerals in raw form
- Obscene publications and literature
- Protected Plants

### **5. SALES CONTRACT**

There should be a sales contract between the seller (Exporter) and the buyer (Importer). The seller (exporter) should prepare a pro-forma Invoice and send it to the buyer. The pro-forma invoice is an invitation to the buyer to place a firm order and it often requires the importer to make his import arrangements. In the pro-forma invoice following details should be mentioned.

- Product description
- Quality
- Price
- Terms of Payment (L/C,D/P,D/A etc.)
- Terms of Delivery (FOB, CFR, CIF etc.)
- Packing & Marking Details

## **6. TERMS OF PAYMENT**

The terms of payment agreed between the exporter and importer depends on how well the exporter knows the importer, risk involved in the transaction, and the volume of business, Methods of payment for foreign trade are:

- Advance Payment
- Letters of Credit (L/C)
- Documentary Collection
  1. Document against payment (D/P)
  11. Document against acceptance (D/A)
- Open Accounts
- Consignment account

## **7. SENDING TRADE SAMPLES**

The foreign buyer may ask for samples of products before a trade transaction takes place .In such a case the exporter will send samples of his products to the foreign buyer, and the samples are usually sent by air mail to avoid undue delay.

The trade samples up to the value of Rs.10, 000 can be exported freely and only a customs declaration form CUSDEC 1/11 needs to be furnished. The numbers of units of trade samples that can be exported will be determined by the Director General of Customs.

## **8. PACKAGING**

Packaging is an important aspect contributing to the positioning of a product in the market. Packaging must protect the product on it way from the exporter to the ultimate consumer.

The exporter should ensure that:

- The packages are properly packed to resist rough handling in the transportation by sea/air
- The packaging has been done according to the buyer's requirements as specified in the trade contract
- The shipping marks and the port of destination is marked on all packages.
- The packages are loaded in such a way to facilitate inspection by customs officials

## **9. CARGO SPACE RESERVATION**

### **Sea Cargo**

Shipping space should be reserved well ahead of the date of shipment. Therefore the exporter should meet the shipping agent to get reserved shipping spaces. For this purpose exporter should submit duly completed shipping notes (Exp.3a forms) to the shipping agent.

## Air Cargo

For air cargo, the exporter would have to check with the "Air Line Agent" officers servicing the country concerned. The exporter should submit a document called "Shippers letter of Instruction". Finally this document will be used to issue the Airway Bill (AWB)

The cargo should be brought to the air port prior to the arrival time for the aircraft. This is called cooling periods:

* General Cargo	24 hrs.
* Fruits & Vegetables cut flowers etc.	06
* Live fish and crabs	04
* Live Animal	02
* Courier Samples	06
* PO Mails	24
* Hanging Garments	48

However at present this cooling period has been removed.

## **10. CERTIFICATES REQUIRED FOR EXPORT**

- CERTIFICATE OF ORIGIN (GSP Certificate)  
This certificate is required by the Customs of the importing country. It is issued by Department of Commerce.
- CERTIFICATE OF ORIGIN  
This is also required by the Customs of the importing country. it is issued by Chambers, i.e. Ceylon Chamber of Commerce, National Chamber of Commerce.
- QUALITY CERTIFICATE  
This is issued by Sri Lanka Standard Institution (SLSI).  
Private quality Certificates are issued by SGS Lanka Ltd.
- HEALTH CERTIFICATE  
Health Certificate may be required by the Health Authorities of the importing country, when meat, fish, and live animal are being exported. It is issued by the Department of animal Production & Health.
- PYYTO SANITARY CERTIFICATE  
This certificate is required by the importing country, when exporting cut flowers and foliage plants, fruits and vegetables etc. It is issued by the Plant Quarantine Department of the Department of Agriculture.
- FUMIGATION CERIFICATE  
This certificate may be required by buyers/government for the import of Agricultural Products such as cut flowers, foliage plants, sesame seeds, Cashew nut, tea etc. Fumigation activities are done by Plant Quarantine Department

## **11. CUSTOMS PROCEDURES**

Before transporting goods to the port, exporter should get Customs approval. For this the exporter should prepare customs declaration forms 1 & 11 (CUSDEC form) in 04 copies and submit it to Customs export office along with following documents.

1. Invoice
2. Shipping Note (Captain copy)
3. License (if required )
4. Packing List (if required)

### **Export Duty**

At present, exporters are not required to pay customs duty. Even though when exporting traditional products (tea, rubber, coconut etc.) export cess must be paid to the customs. After that Customs examinations are carried out by Customs officers and pass for shipment.

## **12. PORT PROCEDURES**

Before transporting goods to the port the exporter has to pay port charges such as wharf handling charges, storage. Exporters are expected to submit 03 copies of shipping note (SN) to the SLPA Finance Division when paying port charges.

### **Moving Cargo to the Port**

When delivering cargo to the port following documents should be prepared and submitted to Export Office of the SLPA.

- Shipping Note (Exp. 3a form)  
*5 copies should be submitted*
- Cargo Dispatch Note (Exp.3b form)  
*06 copies should be submitted*

In addition to the above, shipping Note (SLPA charges copy) and CUSDEC form (Security Copy) must also be attached.

After registration and monitoring of the cargo/container, at the Export Office of Sri Lanka Port Authority (SLPA), the exporter is required to take the cargo to the jetty.

Once all the cargo/containers have been loaded, the shipping note is converted to the Mate's receipt when the captains of the vessel sign it. The SLPA officer on board the vessel will send the mate's receipt to the SLPA export office.

The exporter may collect his copy of the mates receipt from the SLPA export office and submit it to shipping Agent to obtain bill of lading (B/L).At this stage the exporter would be required to pay freight Charges (where applicable) to the Shipping Agent

**Submitting the Documents to the Commercial Bank**

Final stage of shipping is to submit documents to the bank. They are :

- Invoice
- Original Bill of Lading
- Insurance Policy (if on CIF)
- Bill of Exchange (if on D/P or D/A terms)
- Letter of Credit
- Certificate of Origin
- Packaging List

The following documents should also be submitted on the request of the buyer

- Quality Certificate
- Health Certificate
- Phyto Sanitary Certificate
- Fumigation Certificate

