

**CESSES IMPOSED UNDER THE
SRI LANKA EXPORT DEVELOPMENT
ACT NO. 40 OF 1979**

Policy and Planning Division
SRI LANKA EXPORT DEVELOPMENT BOARD
42, Nawam Mawatha
Colombo 2.

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CESSES IMPOSED UNDER THE SRI LANKA EXPORT DEVELOPMENT ACT NO. 40 OF 1979

What is a Cess?

A local levy on a commodity / product for a special purpose .

Authority to Impose a Cess

- Section 14, of the S.L.E.D.B. Act, No. 40 of 1979 has vested powers in the Minister in-charge of the E.D.B. to impose a cess.
- Concurrence of the Minister in-charge of Finance is required.
- A Gazette Notification to be published to give effect to the order.
- Cess could be imposed both on Imports and Exports.
- This section will apply as though it formed part of the Custom Ordinance, and the provision of that Ordinance shall apply accordingly.
- Proceeds of the Cess to be credited to the Export Development Fund.
- This Cess is in addition to any import / export duty or any other Cess levied under any other written law of the country.

Cesses Imposed under the EDB Act

- 1) *Cesses on Imports*

2) *Cesses on Exports*

1) ***EDB Cesses on Imports***

1.1 Cess on Selected Imported Items

1.2 Cess on Edible Oil

1.1 *Cess on Selected Items*

Products	:	Selected imported items
Gazette No.	:	1471 / 24 dated 16.11.2006
Objectives	:	- Discourage imports of non-essential items
		- Protection of local farmers / manufacturers.
		- Funds for implementation of Export Development Programme.
Rates	:	Different rates (Ranging from 1% to 35%) where ad valorem and unit rates are specified, the rate whichever is higher is applicable.
Not applicable	:	- For the purpose of processing and re-export.
		- For manufacturing of goods for export.
		- To drugs registered under the Cosmetic Devices and Drugs Act.
		- To Ayurvedic, Unani and Siddha preparations (other than cosmetic, preparations).
		- In the case of imported goods upon which Cess levy has been paid and are re-exported, a sum not exceeding nine tenths of such levy may be refunded.
Please note that Gazette No. 1477/16 dated 29.12.2006 has been published to remove cess on parts of footwear [(H.S. 6406.10, 6406.20, 6406.99) and B' onions (H.S. 0703.10.02)]		

*Computation Method : CIF Value x Cess levy rate
Quantity x Unit rate of cess levy*

1.2 Cess on Edible Oils

Products	:	Edible oil (soya oil, ground nut, olive oil, sunflower oil, palm oil etc. and their fractions)
Gazette No.	:	1453 / 4 dated 11/07/2006
Objective	:	To generate funds for launching programmes for a sustainable development of the coconut sector.
Rate	:	Rs. 6/= per Kg on imported edible oils

*Computation Method : Quantity x Unit rate of Cess
levy (Rs.6/=)*

2) EDB Cesses on Exports

- 2.1 Cess on Cashew Nuts with Shell
- 2.2 Cess on Raw Hides and Skins
- 2.3 Cess on Ferrous and Non-ferrous Metal Scraps
- 2.4 Cess on Natural Rubber

2.1 Cess on Raw Cashew

Products	:	Cashew nuts with shell
Gazette No.	:	498 / 12 dated 24/03/1988
Objective	:	To discourage export of cashew in raw form
Rate	:	200% of the FOB value of raw cashew export

Computation Method : FOB value x 200%

2.2 Cess on Raw Hides

Product/s	:	All types of raw hides and skins
Gazette No.	:	1278 / 17 dated 06/03/2003
Objective	:	<ul style="list-style-type: none"> - To ensure sufficient local supplies for manufacture of leather products. - Encourage export of high value added leather products
Rate/s	:	<ul style="list-style-type: none"> - 50% of the FOB value or Rs. 100/= per Kg whichever is higher - 50% of the FOB value or Rs. 300/= per Kg whichever is higher - 25% of the FOB value or Rs. 40/= per sq.ft. whichever is higher

*Computation Method : FOB value x rate of Cess OR
Quantity x Rate per unit*

2.3 Cess on Export of Metal Scrap

Product/s	:	Ferrous and Non-ferrous metal scrap and waste or any other raw form.
Gazette No.	:	1436 / 20 dated 17/03/2006
Objective	:	To ensure a continuous supply of raw materials required by the local foundry industry at a competitive price.
Rate/s	:	25% - Non-ferrous scrap (50% - Copper waste) 10% - Ferrous scrap

Computation Method : FOB value of exports x Rate of Cess

2.4 Cess on Export / Import of Rubber

Product/s	:	- Import of rubber based products. - Export of natural rubber
Gazette No.	:	1362 / 18 dated 15/10/2004
Objective	:	- To generate funds for developing the rubber cultivation in Sri Lanka - Encourage the export of value added rubber products
Rate/s	:	- Rubber based products imported under H.S. heading No. 40.07 to 40.17 - 5% on CIF value - Raw rubber exported under H.S. heading No. 40.01, 40.02, 40.05 and 40.06 - Rs. 4/= per kg.

*Computation Method : CIF value x 5% (on Imports)
Quantity (kg) x Rs. 4/= (on Exports)*

Other Cesses Related to Exports

Coconut Development Authority Cess

Product	Unit	Rs.
Fresh Coconut	Per 1000 nuts	750.00
Coconut Oil	Per metric ton	400.00
Desiccated Coconut	- do -	2000.00
Copra	- do -	900.00
Poonac	- do -	250.00
Defatted Coconut	- do -	250.00
Coconut Cream	- do -	450.00
Coconut Milk Powder	- do -	450.00
Coconut Based Liquor	Per liter	3.00
Coconut Shell Charcoal	Per metric ton	250.00
Coconut shell Flour/Pieces	- do -	200.00
Coconut Shell Activated Carbon	- do -	450.00
Coconut Ekels	- do -	100.00
Mattress Fibre	- do -	250.00
Bristle Fibre	- do -	250.00
Coir Yarn / Rope	- do -	100.00
Coir Twine	- do -	200.00
Twisted Fibre	- do -	250.00
Tawashi Brushes	Per 1000 pieces	50.00
Brooms & Brushes (other than Tawashi)	- do -	100.00
Coir Mats / Rugs	- do -	250.00
Coir Mattings	Per 1000 sq. meters	500.00
Rubberized Coir Pads (below 60mm in thickness)	Per sq. meter	0.50
Pads / Mattresses for Bedding (above 60 mm in thickness)	Per piece	5.00

Source : C.D.A.

Cess on Tea Exports

Tea Board Cess - Rs. 4.00 per kg

Policy and Planning Division/EDB
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