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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2097/38 - 2018 නොවැම්බර් මස 16 වැනි සිකුරාදා - 2018.11.16

No. 2097/38 - FRIDAY, NOVEMBER 16, 2018

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

EXCISE ORDINANCE

Excise Notification

EXCISE DUTY ON IMPORT OF NON-POTABLE SPIRITS

IT is hereby notified that the following Order issued by the Minister in charge of the subject of Finance, by virtue of the powers vested in him by Sections 2, 12, 22 and 25, read together with Section 32 of the Excise Ordinance (Chapter 52), as amended and published as the Excise Notification No. 07/2018 in the *Extraordinary Gazette* No. 2059/32 dated February 21, 2018, in order to declare rules and under the Excise Ordinance effective from February 21, 2018, was passed by Parliament on June 07, 2018.

S. R. ATTYGALLE,

Secretary,

Ministry of Finance and Economic Affairs.

Ministry of Finance and Economic Affairs,

Colombo 01,

November 15, 2018.

- (a) There shall be imposed an excise duty of Rupees Six (Rs. 06.00) per bulk kilogram of Non-Potable Spirits imported into Sri Lanka with effect from February 21, 2018 as per rules set out hereto.
- (b) However, any export oriented manufacturing company, which has entered into an agreement with the Board of Investment of Sri Lanka and exports not less than 80% of total products manufactured using as raw materials the items in the Schedule I of this notification and such export is certified by the Director General of the Board of Investment of Sri Lanka, the rate of excise duty on importation of such raw materials is Rupees One Fifty (Rs. 1.50) per bulk kilogram with effect from February 21, 2018 as per rules set out hereto.
- (c) The Excise Notification No. 999 published in the *Extraordinary Gazette* No. 2044/33 of November 09 2017 and Excise Notification No. 1005 published in the *Extraordinary Gazette* No. 2050/11 of December 19, 2017 are hereby rescinded.



RULES

1. **General**

- i. I hereby declare all types of alcohol mentioned in the Schedule I as liquor for the purposes of the Provisions of the Excise Ordinance (Chapter 52).
- ii. These rules may be cited as “rules for non-potable spirits” and shall come into operation from the date of February 21 2018. The Provisions of this notification shall not in any manner influence the Orders that exist at present in relations to potable liquor, denatured spirits and molasses.

2. **Definitions**

- i. In an organic compound, considering the chemical formula (according to the nomenclature of IUPAC) when Hydroxyl group (-OH) is attached to an aliphatic carbon atom, such compounds are known as Alcohol
- ii. Ethanol (Ethyl Alcohol/Ethanol) is referred as potable spirits while all other classes of alcohol given in the *Schedule I* are referred as non-potable spirits.
- iii. Clarification :

<i>Nomenclature of IUPAC</i>	<i>Chemical Formula</i>	<i>H. S. Code</i>	<i>Common Name/Names</i>
Ethanol	CH ₃ -CH ₂ -OH	2207.10	Ethanol/Ethyl/Ethyl Alcohol

3.

- i. Any person shall not import, export, manufacture, keep in possession, store sell, transport, submit or exhibit for sale any non-potable spirit specified under the *Schedule I*, except under the authoritative power of a License issued in that behalf to a person by the Commissioner General of Excise (Hereinafter referred to as “Commissioner General”). Every request pertaining to a license should be submitted to the Commissioner General in writing and should be in conformity with the *Format I*, mentioned in the *Schedule (II)* of these Rules.
- ii. In receiving an application for importation, exportation, manufacturing, keeping in possession, storing, selling, transporting of non-potable spirit the Commissioner General shall issue the relevant license or the permit to the applicant as the case may be, in accordance with the *Format I, II, III and IV* indicated in the *Schedule IV*, in terms of the Provisions of the Excise Ordinance and Guidelines and Conditions stipulated in respect of each category of licenses and if the Commissioner General is satisfied in that regard.
- iii. A license issued by the Commissioner General shall be valid only for a period of one calendar year.
- iv. License fees specified in the *Schedule III* should be paid in order to obtain a license in accordance with these rules.
- v. Any Non-potable spirit should not be kept in possession, stored, sold, transported, submitted or exhibited for selling unless the denaturants have been added in the ratios that may be directed from time to time by

the Commissioner General under a license obtained from the Commissioner General in terms of the regulations of the subs section (i). The license shall add the approved denaturants at his own cost as per the prevailing excise rules.

However, the addition of the aforementioned denaturants may be omitted by the Commissioner General in instances where such non-potable spirits are used for scientific or experimental purposes or where the use of the said spirit required by a certain Government Department or an Institution approved by the Government.

- vi. A licensee whom has been issued a license as the case may be, under the Rule 3, such a licensee shall,
 - a. ensure that any other type of liquor other than the non-potable spirit permitted by the Commissioner General for storing in the premises, for which any such license or a permit is applicable has not been stored in the premises and shall ensure that any type of liquor has not been added to the type of non-potable spirit, for which the license has been issued. Permission of the Commissioner General of Excise should be sought in such event.
 - b. affix a label, printed in red colour in white background in all three languages as stipulated in *Schedule V*, on any container, barrel, cask, vessel, bottle or in any such container which contain such non-potable spirit.
 - vii. Every licensee shall be subjected to the conditions stipulated in the license issued and to the other guidelines and conditions stipulated in the Excise Ordinance or notifications related to such licenses.
 - viii. Any Excise Officer in or above the rank of Excise Inspector has the power to obtain samples of non-potable spirit with free of charge for analysis with the objective of examining whether certain provisions of these Rules are violated. In such instances, a certificate from the Government Analyst or a laboratory that may be approved by the Commissioner General should be obtained and submitted.
 - ix. Storing the spirits in the place allocated for storing spirits in the premises specified in their licenses or permits shall be subjected to the supervision of Excise Officers and the warehouses shall be kept properly locked.
4. Subsequent to obtaining an annual license for importation or exportation, an application in accordance with the *Format II* of the *Schedule II* should be submitted in all instances of importing or exporting non-potable spirits. If the Commissioner General is satisfied with the said application, approval as per the *Format I* of the *Schedule VI* hereto should be given to the Import and Export Controller only for the type of spirits which require license in terms of the published *Gazettes* under the import and export controller Act, No. 01 of 1969, from among the non-potable spirits given in the *Schedule I* hereto. Subsequent to the receipt of non-potable spirit given in the *Schedule I* to Sri Lanka Customs, a letter in the *Format II* of *Schedule VI*, certified by an authorized officer of Sri Lanka Customs should be submitted to Commissioner General before the said stock is cleared, Thereafter, a transport permit in the *Format III* of the *Schedule VI* should be issued by the Commissioner General for transportation of said spirits after the due excise tax paid.
 5. Action shall be taken under the Section 56 or 48 of the Excise Ordinance in the event of breach in the Sections and Conditions of this Notification or that of licenses and permits issued under this notification.
 6. The Excise Notification No. 721 published in the *Gazette (Extraordinary)* 291/ii dated 05th April 1984 is hereby rescinded.

SCHEDULE I

<i>Nomenclature of IUPAC</i>	<i>Chemical Formula</i>	<i>H. S. Code</i>	<i>Common Name/Names</i>
Methyl.1.ol	$\text{CH}_3\text{-OH}$	2905.11	Methanol/Methyl Alcohol
Propan-1.ol	$\text{CH}_3\text{-CH}_2\text{-CH}_2\text{-OH}$	2905.12	Propyl Alcohol/Propanol
Propan-2.ol	$\begin{array}{c} \text{CH}_3\text{-CH-CH}_3 \\ \\ \text{OH} \end{array}$	2905.12	2.Propyl Alcohol/Isopropyl Alcohol
Butan 1.ol	$\text{CH}_3\text{-CH}_2\text{-CH}_2\text{-CH}_2\text{-OH}$	2905.13	n.Butyl Alcohol/Butanol
2. Methyl. Propan.1.ol	$\begin{array}{c} \text{CH}_3\text{-CH-CH}_2\text{-OH} \\ \\ \text{CH}_3 \end{array}$	2905.14	Isobutanol/Isobutyl/Alcohol
Butanl.2.ol	$\begin{array}{c} \text{CH}_3\text{-CH}_2\text{-CH-CH}_3 \\ \\ \text{OH} \end{array}$	2905.14	Secondary Butyl Alcohol
2.Methyl. Propan.2.ol	$\begin{array}{c} \text{CH}_3 \\ \\ \text{CH}_3\text{-C-OH} \\ \\ \text{CH}_3 \end{array}$	2905.14	Tertiary Butyl Alcohol

SCHEDULE II

FORMAT I

EXCISE DEPARTMENT OF SRI LANKA

Excise Ordinance (Chapter 52)

Application for obtaining all licenses of non-potable spirit

(Applicant should be fill only items 1 to 7)

1. Name and Address of the Applicant/s, Company :

.....

2. National Identity Card No/s of the applicant

.....

3. Business Registration No.

.....

4. Tax payer's identification No. (TIN)

.....

5. Information on the premises which is proposed to be used for storing Spirits

- i. Postal Address
- ii. Provincial Council
- iii. Administrative District
- iv. Divisional Secretariat
- v. Local Government Institute
- vi. Police Division
- vii. Excise Station

6. The following information should be provided if applicant/s intends to import/export/manufacture/store/sell non-potable spirits

i. Name of the type of spirits imported/exported

- a. IUPAC Nomenclature :-
- b. Chemical Formula :-
- c. Harmonized System Code (HS Code) :-

ii. Objective of importing

iii. Details of spirits imported/exported/manufactured/stored/sold from time to time within the previous year (details should be affixed)

iv. An affidavit to the effect that the applicant has not been convicted for an offence under the Penal Code (should be affixed)

v. Environment Report (manufacturing, importation)

vi. Boundaries of the premises proposed to be used for storing stocks

- North :
- East :
- South :
- West :

7.

- i. Method of obtaining bulks (importation/through a wholesale seller) :
- ii. Name and Address of the aforesaid Company :

.....
Signature of Applicant.

Date :.....

(For Office Use Only)

8. Recommendation of the Officer in charge of the relevant Excise Station

.....

.....
Signature of the Officer in Charge of Station

Date :.....

9. Recommendation of Superintendent of Excise

.....

.....
Signature of the Superintendent of Excise

Date :.....

10. Recommendation of Assistant Commissioner of Excise

.....

.....
Signature of Assistant Commissioner of Excise

Date :.....

11. Recommendation of Deputy Commissioner of Excise

.....

.....
Signature of Deputy Commissioner of Excise

Date :.....

12. Recommendation of the Commissioner General of Excise

.....

.....
Signature of the Commissioner General of Excise

Date :.....

SCHEDULE II

FORMAT II

EXCISE DEPARTMENT OF SRI LANKA

Excise Ordinance (Chapter 52)

Application for obtaining Approval for Imporation/Exportation of non-potable spirit
(Applicant should fill only items 1 to 6)

1. Name and Address of the Applicant/s, Company

.....

2. National Identity Card No/s of the applicant/s

.....

3. Business Registration No.

.....

4. Tax payer's identification No. (TIN)

.....

5. Information of the premises approved to be used for storing Spirits

- i. Postal Address
- ii. Excise Station's Area

6. The following information should be provided by the applicant/s with respect to import/export/of non-potable spirits

- i. Name of the type of spirits imported/exported
 - a. IUPAC Nomenclature :-
 - b. Chemical Formula :-
 - c. Harmonized System Code (HS Code) :-
 - d. Quantity and Percentage of Alcohol :-
- ii. Country of spirits imported/exported
- iii. Quantities of spirits imported/exported within the relevant year
(Particulars should be affixed)
- iv. Expected date of Importation/Exportation

7. All applications should be submitted with the recommendation of the relevant officer in charge, Superintendent of Excise and the Assistant Commissioner of Excise.

.....
Signature of Applicant.

Date :.....

SCHEDULE III

License Fee

	<i>Column I Nature of License</i>	<i>Column II License Fee (Rs.)</i>
1.	Manufacture, storage and whole sale of non-potable spirit	50,000.00
2.	License for importation, storage and whole sale of non-potable spirit	50,000.00
3.	License for exportation	10,000.00
4.	License for storage and retail sale of non-potable spirit	5,000.00

SCHEDULE IV

FORMAT I

EXCISE DEPARTMENT OF SRI LANKA

Excise Ordinance (Chapter 52)

License for Importation/Exportation of Non-Potable Spirit
(Section 12 of the Excise Ordinance)

License Fee :.....

This license will be valid from20.....to..... 20.....

1. Name, Address and National Identity Card No. of the Importer/Exporter :-

2. Business Registration No. :.....
3. Countries of importation/exportation :-

4. Particulars regarding the materials imported/exported under this license :-

<i>Name of the Imported Spirit</i>	<i>Scientific Name</i>	<i>Harmonized System Code (HS Code)</i>	<i>Quantity (Kg) (Anually)</i>

- 5.
- i. Permission is granted to import/export non potable spirit described in the Item 4 above by virtue of the powers vested in me by Excise Ordinance (Chapter 52).
 - ii. This license is issued subjected to the conditions mentioned overleaf.

.....
Commissioner of Excise

Date :.....

- 1. This is valid only for the premises, for which this license is issued and only for the purposes stipulated in this license.
- 2. The license is not transferrable and any connection attached to the license should not be sold or leased without the consent of the Licensing Authority.
- 3. The licensee shall abide by all the Excise Rules and Orders related to the License and the other additional rules and orders that may be imposed under the Excise Ordinance from time to time pertaining to the said license.
- 4. The license shall be extended only for import of non-potable spirits to Sri Lanka or export from Sri Lanka.
- 5. Accounting : Every importer/exporter of non-potable spirits, should maintain proper accounts books in a format specified by the Commissioner General. If any notification under this rule is sent to present Head of the premises where the licensee operates his business activities by registered post, or handed over or affixed on the door or gate, it will be deemed to have properly delivered to the licensee.
- 6. The licensee shall provide all the facilities and assistance to any authorized officer under the Excise Ordinance to enter and supervise any licensed premises or to obtain samples, seize and retain certain Excise materials, other materials, bills, invoices, books and documents that are justifiable to be seized or retained as an evidence under the Excise Ordinance or under any other Law in force at that time.
- 7. In the event of failure act in accordance with the Excise Conditions, the License may be cancelled by the Commissioner General. Any alteration to the license shall be made only by the licensing authority.
- 8. The licensee shall take necessary steps to pay the due Excise Duty subsequent to the importation of non-potable Spirits to Sri Lanka.
- 9. Non-potable spirit shall not be transported after importation or for exportation, unless under a license issued by Excise Officers.
- 10. In all instances of importing and exporting non potable spirits, approval should be obtained having submitted an application as per the Format II of the Schedule II to the Commissioner General.

Counterpart Agreement :-

I,the above Licensee agrees with the Licensing Authority to truly adhere and to carry out Order and Conditions stipulated in the License.

.....
Signature of the Licensee

Witnesses

Onof..... 20.....

SCHEDULE IV

FORMAT II

EXCISE DEPARTMENT OF SRI LANKA**Excise Ordinance (Chapter 52)****License Issued to Authorized Traders for the Manufacture, Storage and Wholesale of Non-Potable Spirits
(Section 18)**

License Fee :.....

This license will be valid from.....20..... to20.....

District :..... Date of Issue :..... License Fee :.....	Registration No. :..... Closing Date :..... Stamp Duty :.....
1. Name, Address and National Identity Card No. of the Licensee :-	3. Address of the Licensed premises :-
2. If a Company, the Registration No. of the Company :-	
4. Particulars regarding the premises (Boundaries should be given) :-	
5. Name and Particulars of the non potable spirit to be manufactured, stored and wholesale under the Provisions of the Excise Ordinance :-	
6. i. BY virtue of the Powers vested in me under the Excise Ordinance (Chapter 52), I do hereby approve the premises described in the item (4) above and I authorize the manufacture, storage and wholesale of non- potable spirit described in the item (5). ii. This license is issued subjected to the conditions mentioned overleaf. <div style="text-align: right;">..... Commissioner of Excise (Revenue)</div> Date :.....	

1. This is valid only for the premises, for which this license is issued and only for the purposes stipulated in this license.
2. The license is not transferrable and any connection attached to the license should not be sold or leased without the consent of the Licensing Authority.
3. The licensee shall abide by all the Excise Rules and Orders related to the License and the other additional rules and orders that may be imposed under the Excise Ordinance from time to time pertaining to the said license.
4. The license shall be extended only for manufacturing, storing and wholesale of thus manufactured non potable spirits in Sri Lanka.
5. Accounting : Every manufacturer, warehouse owner and wholesale dealer of non-potable spirits, should maintain proper accounts books in a format specified by the Commissioner General. If any notification under this rule is sent to present Head of the premises where the licensee operates his business activities by registered post, or handed over or affixed on the door or gate, it will be deemed to have properly delivered to the licensee.
6. The licensee shall provide all the facilities and assistance to any authorized officer under the Excise Ordinance to enter and supervise any licensed premises or to obtain samples, seize and retain certain Excise materials, other materials, bills, invoices, books and documents that are justifiable to be seized or retained as an evidence under the Excise Ordinance or under any other law in force at that time.
7. In the event of failure act in accordance with the Excise Conditions, the License may be cancelled by the Commissioner General. Any alteration to the license shall be made only by the licensing authority.
8. Non-potable spirit shall not be transported, unless under a license issued by the Superintendent of Excise of the area.

Counterpart Agreement :

I,the above Licensee agrees with the Licensing Authority to truly adhere and to carry out Orders and Conditions stipulated in the license.

.....
Signature of the Licensee.

Witnessess :

Onof20.....

SCHEDULE IV

FORMAT III

EXCISE DEPARTMENT OF SRI LANKA

License for Sale of Non-Potable Spirits (Wholesale/Retail) (Section 18)

License Fee :.....

This license will be valid from20..... to.....20.....

District :..... Date of Issue :..... License Fee :.....	Registration No. :..... Valid period of the License :..... Stamp Duty :.....
(1) Type of License (Wholesale/retail) :..... Opening of Closing Hours :.....	
(2) Name, Address and National Identity Card No. of the Licensee :-	(3) Address of the licensed premises :-
(4) Particulars regarding the premises (Boundaries should be mentioned) :-	
(5) Name and Particulars of the licensed non potable spirit for the sale under the Provisions of Section 18 of the Excise Ordinance :-	
(6) i. By virtue of the Powers vested in me under Section 18 of the Excise Ordinance (Chapter 52), I do hereby approve the premises described in the Item (4) above and authorize selling of non-potable spirits described in the Item (5) on wholesale and retail basis. ii. This license is issued subjected to the Conditions mentioned overleaf. Date :.....	
..... Licensing Authority	

- (1) The license shall be extended only for sale (wholesale/retail) of non-potable spirits despite the fact that said non potable spirits are imported to Sri Lanka or manufactured in Sri Lanka or due tariffs on such spirits are paid.
- (2) Licensee shall not sell, transfer or otherwise dispose of any connection pertaining to the business activities conducted under the Authoritative Power of this license unless under the permission of the Commissioner General.
- (3) Accounting : Every wholesale or retail dealer of non-potable spirits, should maintain proper accounts books in a format specified by the Commissioner General. If any notification under this rule is sent to present Head of the premises where the licensee operates his business activities by registered post, or handed over or affixed on the door or gate, it will be deemed to have properly delivered to the licensee.
- (4) Any non-potable spirit should not be transported to licensed premises, unless under the license issued by the Superintendent of Excise of the Area.
- (5) In an instance where non potable spirits is sold to an individual who does not hold a license, quantity of said spirit shall not exceed 4.5 kilograms and a permit shall not be required for such purpose.
- (6) Any individual who has obtained a license for the sale of non potable spirit stipulated in the Schedule I on retail basis, shall not keep in his possession spirits exceeding 600 Kilograms.

Counterpart Agreement

I,the above licensee agrees with the Licensing Authority to truly adhere and to carry out Orders and Conditions included in the license.

.....
Signature of the Licensee.

Witnessess :

On..... of20.....

SCHEDULE IV
FORMAT IV

EXCISE DEPARTMENT OF SRI LANKA

Excise Ordinance (Chapter 52)

Permit for Transportation of Non-Potable Spirits

Place of Issue :.....	
Date and Time of Issue :.....	
Validity of License :- Fromto..... p. m. Date :.....	
(1) Name and Address of Transporter mentioned in the License	
(2) Name and Address of the Licensee authorized for obtaining spirit	
(3) Address of the premises that spirits are transported to	
(4) Type of Spirit issued and the total quantity (Kg)	
(5) Number of containers, to which spirits are issued (Mention capacity and Information)	
(6) Vehicle No.	
(7) The route used for the transportation	
<p>Authorization is hereby given to(Name of Transporter) to transport..... Kilograms of denatured spirits mentioned in the Column (4) to.....authorized premises duringa.m to..... p.m. on (Date) in the route mentioned in the Column (7) by granting the approval subjected to the following Conditions and the Conditions specified overleaf.</p> <ol style="list-style-type: none"> 1. The Permit shall be in force only within the time and date as authorized by the Permit. 2. Original Copy of the permit should be kept in possession in transportation of non potable liquor covered by the Permit, and it should be produced to the Excise Officer. 3. This permit shall not be transferable. 4. Only the route here in specified shall be used for transportation. 5. In the event of a accident or breakdown of the vehicle used for transportation, he licensing authority or the O. I. C. of the relevant Excise Area should be informed and follow the instructions given. 6. This shall not be used contrary to any information herein mentioned. 7. This permit should be filled in the premises to where the spirits are transported subsequent to use. 	
Date :..... Superintendent of Excise.

SCHEDULE V

Name of the Spirit : Sinhala
Tamil
English



(Should be printed in red on white background)

SCHEDULE VI

FORMAT I

EXCISE DEPARTMENT OF SRI LANKA

Application No :-

Import and Export Controller,
Department of Import and Export,
Colombo.

Importation/Exportation of Non Potable Spirits

I, hereby declare that the Department of Excise bears no objection with respect to importation/exportation of under mentioned quantity non potable spirits by

.....
..... (Full Name) of
.....(Address)

Pro-forma Invoice No. and Date :
Type of Non-Potable Spirit

Amount of Bulk Kilograms :
Validity Period :

Date :

.....
Commissioner General of Excise

SCHEDULE VI

FORMAT II

EXCISE DEPARTMENT OF SRI LANKA

Application No. :-

Commissioner General of Excise,
Excise Department of Sri Lanka,
Colombo.

Certification of Sri Lanka Customs

I, hereby declare that under mentioned non potable spirit has been imported by(Full Name) of..... (Address) under the license No. of Import and Export Controller.

Container No. :
Type of Non Potable Spirit :
Amount (Bulk Kilograms) :
Harmonized System Code (HS Code) :
Other matters :

Date :.....

.....
Authorized Customs Officer.

SCHEDULE VI

FORMAT III

EXCISE DEPARTMENT OF SRI LANKA

Permit for Transportation of Non Potable Spirits

1. Name of the Licensee :-

.....
Address :-
.....
.....

Telephone No. :-
.....

Electronic Mail :-
.....

2. Name of the Driver :-

.....

N. I. C. No. :-

.....

3. Name and Address Premises where spirits are transported to :-

.....
.....

4. Name of the Non-Potable Spirit :-

.....

5. Quantity (Bulk Kilograms) :-

.....

6. Strength :-

.....

7. Route :-

.....

8. Valid Period :-

.....

9. Other Matters :-

.....

10. Date :-

.....

11. Conditions, if any :-

.....

Permission is granted for transportation of aforementioned non-potable spirits subject to Excise Conditions.

Date :-.....

.....
Authorized Excise Officer.

11-1400