



CUSTOMS DEPARTMENT

NOTICE TO STAKEHOLDERS

IMPLEMENTATION OF MEASURES IN BUDGET SPEECH 2019-2020

IMPORTERS, DECLARANTS AND ECONOMIC OPERATORS ARE HEREBY INFORMED THAT, FOLLOWING THE PRESENTATION OF THE **2019-2020 BUDGET** BY THE HON. PRIME MINISTER, MINISTER OF HOME AFFAIRS, EXTERNAL COMMUNICATIONS AND NATIONAL DEVELOPMENT UNIT AND MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT ON **10TH JUNE 2019**, THE FOLLOWING MEASURES WILL BE APPLICABLE AS FROM **11TH JUNE 2019**:

(1) EXCISE DUTY

(A) REDUCTION IN EXCISE DUTY ON –

- (i) MOGAS FROM RS 14.80 TO RS 12.20 PER LITRE;**
- (ii) GASOIL FROM RS 7.30 TO RS 4.70 PER LITRE;**
- (iii) ELECTRIC CARS ABOVE 180 KW FROM 25% TO 15%;**
- (iv) PLUG-IN HYBRID CARS AS FOLLOWS:**

| Plug-in Hybrid Car | Current | New |
|---------------------------|----------------|----------------|
| Up to 550 c.c. | 0 % | 0% (no change) |
| 551 - 1,000 c.c. | 25% | 10% |
| 1,001 - 1,600 c.c. | 25% | 15% |
| 1,601 - 2,000 c.c. | 45% | 30% |
| 2,001 - 3,000 c.c. | 70% | 55% |
| Above 3,000 c.c. | 70% | 65% |

(B) ABOLITION OF 50% EXCISE DUTY ON –

(I) NON-FOSSIL FUEL OUTBOARD MOTORS; AND

(II) YACHTS AND OTHER VESSELS FOR PLEASURE OR SPORTS EQUIPPED WITH OUTBOARD MOTORS USING NON-FOSSIL FUEL.

(2) AMENDMENTS TO THE FIRST SCHEDULE TO THE VAT ACT (VAT EXEMPT)

THE FIRST SCHEDULE TO THE VAT ACT IS AMENDED BY ADDING THE FOLLOWING NEW ITEMS :

85. *LINSEED (H.S. CODE 1204.00.00)*

86. *MUSTARD SEEDS (H.S. CODE 1207.50.00)*

87. *PAPADUM (ALSO KNOWN AS PAPAD OR APPALAM) (H.S. CODE 1901.90.20)*

88. *SAGOO (PEARL SEEDS) (H.S. CODE 1903.00.10)*

89. *SESAMUM SEEDS (H.S. CODE 1207.40.00)*

90. *TOOKMARIA (BASIL SEEDS) (H.S. CODE 1211.90.10)*

91. *VERMICELLI. (H.S. CODE 1902.19.20)*

92. *GRADUATED COMPRESSION GARMENTS OF H.S. CODES 6114.20.10, 6114.30.10 AND 6114.90.10.*

93. *GRADUATED COMPRESSION HOSIERY OF H.S. CODE 6115.10.00.*

94. *GRADUATED COMPRESSION GLOVES OF H.S. CODES 6116.91.10, 6116.92.10, 6116.93.10 AND 6116.99.10.*

95. *GRADUATED COMPRESSION HEADGEAR OF H.S. CODE 6506.99.10.*

(3) AMENDMENTS TO THE FIFTH SCHEDULE TO THE VAT ACT (VAT AT ZERO RATE)

THE FIFTH SCHEDULE TO THE VAT ACT IS AMENDED BY ADDING THE FOLLOWING NEW ITEM:

COOKING GAS IN CYLINDERS OF UP TO 12 KG FOR DOMESTIC USE BY HOUSEHOLDS

(4) CUSTOMS DUTY EXEMPTION

ITEM E12 OF PART II OF THE FIRST SCHEDULE OF THE CUSTOMS TARIFF ACT HAS BEEN AMENDED BY INTRODUCING, IN THE THIRD COLUMN, A NEW PARAGRAPH (d) WHICH READS AS FOLLOWS -

(d) packing materials, including edge protectors.

AMENDMENTS TO CUSTOMS LAWS AND THE INTEGRATED TARIFF:

(A) TO IMPLEMENT THE MEASURES AT PARAGRAPHS (1), (2) AND (3) –

(a) PART I OF THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT IS AMENDED BY –

(i) DELETING THE H.S CODES AND ITS CORRESPONDING ENTRIES SPECIFIED IN PART A OF ANNEX 1; AND

(ii) INSERTING, IN THE APPROPRIATE NUMERICAL ORDER, THE HS CODES AND THEIR CORRESPONDING ENTRIES SPECIFIED IN PART B OF ANNEX 1.

(b) PART I OF THE FIRST SCHEDULE TO THE EXCISE ACT IS AMENDED BY –

(i) DELETING THE H.S CODES AND ITS CORRESPONDING ENTRIES SPECIFIED IN PART A OF ANNEX 2; AND

(ii) INSERTING, IN THE APPROPRIATE NUMERICAL ORDER, THE HS CODES AND THEIR CORRESPONDING ENTRIES SPECIFIED IN PART B OF ANNEX 2.

(B) TO IMPLEMENT THE MEASURES AT PARAGRAPHS (1), (2) AND (3), THE **INTEGRATED TARIFF** IS AMENDED AS PER ANNEX 3 BY:

(i) DELETING THE H.S CODES AND THEIR CORRESPONDING ENTRIES SPECIFIED IN PART A; AND

(ii) INSERTING, IN THE APPROPRIATE NUMERICAL ORDER, THE HS CODES AND THEIR CORRESPONDING ENTRIES SPECIFIED IN PART B.

WITH RESPECT TO PARAGRAPHS (1), (2) AND (3), DECLARANTS AND IMPORTERS ARE ADVISED TO LIAISE WITH MNS FOR UPDATE OF THEIR FRONT END SYSTEM.

MRA CUSTOMS

10th JUNE 2019