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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Government Notifications

THE COLOMBO PORT CITY ECONOMIC COMMISSION ACT, No. 11 OF 2021

BY virtue of the powers vested in me under Section 71 of the Colombo Port City Economic Commission Act, No. 11 of 2021, read with Sections 52 of that Act, I, Anura Kumara Disسانayake, Minister of Finance, Planning and Economic Development, make the following regulations.

ANURA KUMARA DISSANAYAKE,

Minister of Finance, Planning and Economic Development.

Ministry of Finance, Planning and Economic Development,
Colombo 01,
September 20, 2025.

Regulations

1. These regulations may be cited as the Colombo Port City (Guidelines on the Grant of Exemptions or Incentives to Businesses of Strategic Importance) Regulations, No. 1 of 2025.
2. These regulations shall be applicable for any business identified as a Business of Strategic Importance on or after the date on which these regulations come into effect.
3. An authorized person engaged in business in and from the Area of Authority of the Colombo Port City that makes an Investment to lease and develop a plot of land within the Area of Authority of the Colombo Port City which satisfies



any one of the following criteria as stated in the below Categories shall be designated as a Primary Business of Strategic Importance under the categories of A, B, C & D based on Minimum Investment:-

Category A

to make a minimum investment of USD One Hundred Million per plot of land or a pro-rated investment in a subdivided plot of land according to the Colombo Port City (Development Control) Regulations, and to create a minimum of 300 employment opportunities; or

Category B

to make a minimum investment of USD Five Hundred Million per plot of land or a pro-rated investment in a subdivided plot of land according to the Colombo Port City (Development Control) Regulations, and to create a minimum of 300 employment opportunities; or

Category C

to make a minimum investment of USD One Thousand Million per plot of land or a pro-rated investment in a subdivided plot of land according to the Colombo Port City (Development Control) Regulations, and to create a minimum of 300 employment opportunities; or

Category D

to make a minimum investment of USD Twenty Five Million in the plots of land for the Marina or Social Infrastructure, and to create a minimum of 100 employment opportunities.

4. The businesses designated as Primary Businesses of Strategic Importance under Category A, B, C and D of (3) above shall be entitled to the exemptions or incentives specified below:-
 - a. exemptions from the applicability of the below (i-iii) enactments set out in Schedule II to the Act, during the project implementation period;
 - i. The Customs Ordinance (Chapter 235)
 - ii. The Ports and Airports Development Levy Act, No. 18 of 2011
 - iii. The Sri Lanka Export Development Act, No. 40 of 1979
 - b. exemptions of all gains and profits of Primary Businesses of Strategic Importance from the corporate income tax under the Inland Revenue Act, No. 24 of 2017 as set out in Table 1 below and such exemption shall commence upon expiry of the project implementation period;

Table 1

Category	Duration of Exemption (No. of years)
A	10
B	12
C	15
D	8

Provided that after the expiry of the aforesaid tax exemption period, the company shall be liable to pay taxes in terms of the provisions of the (relevant laws for the time being in force).

- c. exemptions from the applicability of the below (i-iv) enactments set out in Schedule II to the Act, from the date of publication of an (Order in the *Gazette* in terms of sub-section (3) of section 53 of the Act);
 - i. The Betting and Gaming Levy Act, No. 40 of 1988
 - ii. The Entertainment Tax Ordinance (Chapter 267)

- iii. The Foreign Exchange Act, No. 12 of 2017
 - iv. Termination of Employment of Workmen (Special Provisions) Act, No. 45 of 1971
- d. Project Implementation Period shall be as defined in the Paragraph 9 of this Regulation and shall subject to the maximum period under categories of A, B, C and D as set out in Table 2;

Table 2

Category	Maximum Project Implementation period (No. of Years)
A	5
B	6
C	8
D	4

5. An authorized person engaged in business in and from the Area of Authority of the Colombo Port City which is identified as a Business of Strategic Importance, but not designated as a Primary Business of Strategic Importance under Category A, B, C or D within the provisions of Paragraph 3 of this Regulation, shall be designated as a Secondary Businesses of Strategic Importance.
6. Any business designated as a Secondary Business of Strategic Importance shall be entitled to the exemptions or incentives specified below:-
- a. exemptions from the applicability of the below (i-iii) enactments set out in Schedule II to the Act, until the commencement of commercial operations:
 - i. The Customs Ordinance (Chapter 235)
 - ii. The Ports and Airports Development Levy Act, No. 18 of 2011
 - iii. The Sri Lanka Export Development Act, No. 40 of 1979
 - b. Charge corporate income tax under the Inland Revenue Act, No. 24 of 2017 on all gains and profits of Secondary Businesses of Strategic Importance, at the concessionary rate of 7.5% for four (04) years commencing from the date of commencement of commercial operations.
- Provided that after the expiry of the aforesaid period of four (04) years, the company shall be liable to pay taxes in terms of the provisions of the relevant laws for the time being in force.
- c. exemptions from the applicability of the below (i-iii) enactments set out in Schedule II to the Act, from the date of publication of an Order in the *Gazette* in terms of sub-section (3) of section 53 of the Act;
 - i. The Entertainment Tax Ordinance (Chapter 267)
 - ii. The Foreign Exchange Act, No. 12 of 2017
 - iii. Termination of Employment of Workmen (Special Provisions) Act, No. 45 of 1971
7. The incentives granted under this Regulation is non-negotiable and non-renewable.
8. This Regulation shall remain in force for a period of five (05) years from the date of their coming into operation, and shall, unless earlier repealed or amended, cease to have effect upon the expiry of the said period.
9. In these regulations -

“Act” means the Colombo Port City Economic Commission Act, No. 11 of 2021;

“Colombo Port City (Development Control) Regulations” means the Colombo Port City (Development Control) regulations published in the *Gazette Extraordinary* No. 2334/47 of June 02, 2023;

“Commission” means the Colombo Port City Economic Commission established under the Act;

“Marina” means the land plots designated for the Marina Commercial land use and Marina facility land use in the Colombo Port City (Development Control) regulations;

“Project Implementation Period” means the period referred to in Table 2 of this Regulation, which shall commence from the date of publication of the Order in the *Gazette* in terms of sub-section (3) of section 53 of the Act, designating the business as a Primary Business of Strategic Importance, and shall terminate upon the earlier of

- (i) the issuance of the Certificate of Conformity in respect of the development; or
- (ii) the maximum period specified in Table 2 for the relevant Category.

“Social Infrastructure” means the land plots designated for Education, Cultural and Health Care, and Convention Center land use in the Colombo Port City (Development Control) Regulations.

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