

# INVESTMENT INCENTIVES

## Fiscal Incentives

- Tax exemption for Agro Farming including Agriculture, Fisheries & Livestock and Export of Services including ICT
- 5-10 year tax holiday for Pharmaceutical and Textile manufacturing inside dedicated zones

**Corporate Income Tax (CIT)**

**Customs Duty Exemptions**

- Exempted for Capital Goods (Plant, Machinery, Equipment and Construction items) during project implementation period.
- Lifetime exemption for capital goods (Plant, Machinery & Equipment) and raw materials, if export oriented

- Exemption from PAL on importation of project related capital goods by a BOI enterprise with Investment over USD 50 Mn during the project Implementation/ construction period but prior to the commencement of commercial operations.
- Lifetime exemption for raw materials, if export oriented

**Port and Airport Levy (PAL) Exemptions**

**CESS Exemptions**

- Exemption from CESS on importation of any goods by a BOI enterprise with Investment over USD 50 Mn during the project implementation/construction period but prior to the commencement of commercial operations, if invested on or after 6<sup>th</sup> March 2019.
- Lifetime exemption for raw materials, if export oriented

- Deferred for Capital Goods (Plant, Machinery, Equipment and Construction items) during project implementation period
- Lifetime exemption/deferment for capital goods (Plant, Machinery & Equipment) and raw materials, if export oriented

**Value Added Tax (VAT) Exemptions/ Deferments**

**Enhanced Capital Allowance (ECA) for new projects & project expansions**

- An enhanced capital allowance of 100% - 150%, in addition to normal depreciation, is offered for expenses over USD 3 Mn incurred on depreciable assets, with an extended period of 10 - 25 years to deduct unrelieved losses.
- An enhanced capital allowance of 200%, in addition to normal depreciation, is offered for enterprises located in the Northern Province, with expenses over USD 3 Mn incurred on depreciable assets, with an extended period of 10-25 years to deduct unrelieved losses.

- For projects that commence before 31<sup>st</sup> March 2024, a temporary concession of an enhanced capital allowance of 100% is offered for the expenses up to USD 3 Mn incurred on depreciable assets, with a better provision of 200%, for the projects located in the Northern Province.

**Enhanced Capital Allowance (ECA) - Temporary Concessions**

## Other Incentives

**Foreign Equity**

100% foreign ownership permissible.

**Repatatriation of Earnings**

All income, proceeds on sale of the investments can be repatriated through an Inward Investment Account (IIA) of the Investor

**Visa Recommendation for Investors**

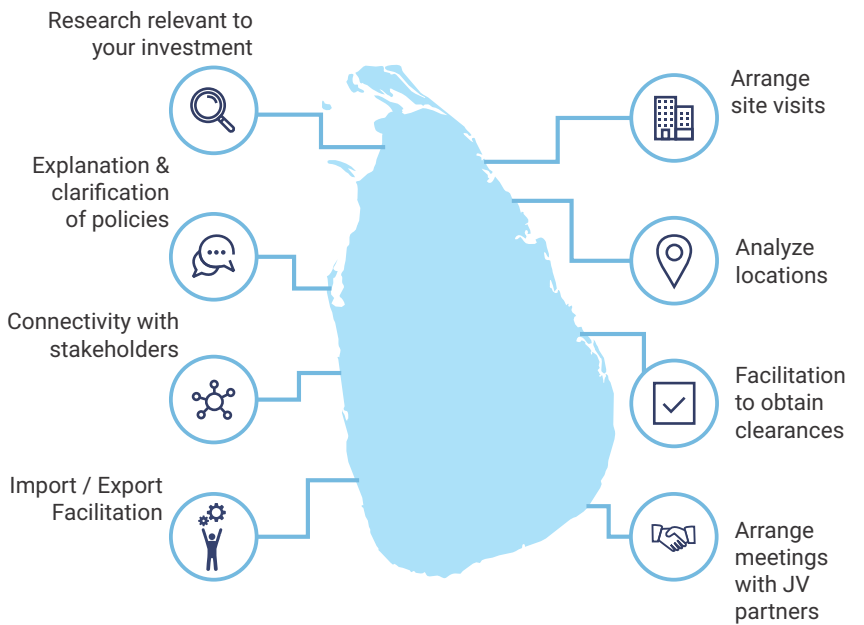
5 years Long term Residence Visa for Investor, Spouse & Dependents

## BOI FACILITATION

**Investor Matchmaking**

**Investor Facilitation Centre**

**Digitized Systems**



**Contact us for more details :**  
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TO GROW YOUR BUSINESS





BOARD OF INVESTMENT OF SRI LANKA

The Board of Investment (BOI) of Sri Lanka is the apex agency established to promote and attract Foreign Direct Investment in Sri Lanka. BOI handholds investors with specialized facilitation and aftercare throughout the investment life cycle of the enterprise.

Sri Lanka is strategically located at the crossroads of major shipping routes to South Asia, the Far East, and the continents of Europe and America. Home to one of the Top 25 Container Ports in the World, the country offers access to global value chains through market access to large trade blocs ranging from the European Union to the many economic powerhouses in Asia.


# WHY SRI LANKA






### STRATEGIC LOCATION

- Colombo Port #17 best connected port 2022 (UNCAD)
- #24 TEU throughput - Lloyds List Top 100 Ports
- 3 Terminals with 11 berths (12-18m depth)
- Cargo handling 250,000 MT+ per annum




### MARKET ACCESS

- Indo - Sri Lanka Free Trade Agreement
- Pakistan Sri Lanka Free Trade Agreement
- EU GSP+
- Developing Countries Trading Scheme (UK)
- South Asian Free Trade Agreement
- Asia Pacific Trade Agreements




### AGILE TALENT

- 1<sup>st</sup> in South Asia literacy rate
- 2<sup>nd</sup> largest CIMA pool in the world
- 1PPM manufacturing standard
- 30,000 graduates annually



### QUALITY OF LIFE

- 1<sup>st</sup> in South Asia - Human Development Index 2022
- High-standard healthcare facilities
- World-class domestic & commercial, real estate, high-end leisure facilities



### INVESTMENT CLIMATE

- 100% Foreign Ownership
- 100% Repatriation Permitted
- Investment Protection Agreement with 26 countries
- Double Taxation Relief Agreement with 45 countries

#1

Port in South Asia & ranked 28th in Container Port Performance Index (WB, S&P Mkt. Intelligence 2022)

BEST

Trans-shipment Hub in South Asia

#1

In South Asia to trial 5G SA (2022)

World's first purpose-built green factory powered by carbon-neutral sources

Sri Lanka Ranked as 9th most friendly country in the World by Conde Nast Traveler - 2022)

One of the fifteen ports in the world equipped to handle 24,000 TEU vessels

# THRUST SECTORS FOR INVESTMENT

## MANUFACTURING

Pharmaceuticals

Apparel

Textiles & Accessories

Electrical & Electronic

Rubber

Auto Components

Medical Devices

Machinery & Appliances

Value added Minerals

## INFRASTRUCTURE

Renewable Energy

Logistic Centres

Integrated Hazardous Waste

Hospitals

## SERVICES

Information Technology

Education

Hospitality & Tourism

## AGRICULTURE

Processed food

Spices and Concentrates

Fish & Sea food

Fruits and Vegetables

# READY TO INVEST INVESTMENT OPPORTUNITIES



SCANN ME!

Tourism & Leisure

Manufacturing

Entertainment

Mixed Development

Patents - SLINTEC

SDG Investor Platform

Urban Development Authority

Port City Colombo

# APPROVAL THRESHOLDS

Education  
USD 100,000

IT  
USD 150,000

Agriculture  
USD 150,000

Tourism  
USD 500,000

Utilities  
USD 500,000

Under Sec. 17 of BOI Law

Under Sec. 16 of BOI Law

Services  
USD 500,000

Manufacturing & Apparel  
USD 500,000

Housing  
USD 3 Mn

Infrastructure including Mixed Development  
USD 5 Mn

Large Scale Manufacturing (Local Market)  
USD 5 Mn

Large Scale Infrastructure Projects  
USD 12.5 Mn

Minimum foreign investment entry requirement : USD 250,000

Minimum foreign investment entry requirement for trading : USD 5 Mn