



## **BOARD OF INVESTMENT OF SRI LANKA**

### **APPLICATION FOR APPROVAL OF AN INVESTMENT**

#### **UNDER SECTION 16 OF THE BOI LAW**

##### **NOTES FOR YOUR GUIDANCE**

- i. The application shall be used
  - (a) Either for the purpose of setting up a new company with foreign shareholding upto 100% which is not eligible to be operated under Section 17 of the BOI Law  
or
  - (b) For the purpose of transferring or issuance of new shares in an existing non-BOI company to foreign investors only.
- ii. This application should be completed with relevant information and submitted as indicated in (vi) below.
- iii. Provide documentary evidence relating to business background e.g. Company Profile, Current Annual Report, Bank Credentials and a Project Report if available.
- iv. Application fee :

Please pay in cash or make cheques and drafts in favour of the "Board of Investment of Sri Lanka".

  - (a) Overseas - Bank draft for cheque for US\$ 180 + VAT (12%).
  - (b) In Sri Lanka - Bank draft, cheque or cash equivalent of US\$ 180 + VAT (12%) in SL Rupees.
- v. If you require any assistance in filling up the application form, please contact the following BOI officials.
  - (a) Executive Director (Investment) and his staff - Tel : 2438972, 2346339, 2346340
  - (b) Executive Director (Promotion) and his staff - Tel : 2430511, 2386953, 2543039, 2346345
- vi. Lodging an Application

Once you have completed the application form it may be submitted with the appropriate fee to the Director (Investment) / Senior Manager (Investment), Investment Department, Board of Investment of Sri Lanka, 24<sup>th</sup> Floor, West Tower, World Trade Center, Echelon Square, Colombo 01.
- vii.
  - (a) Applicants of this application shall be either a shareholder in case of a new company  
or
  - (b) A shareholder's representative who is in possession of a letter of authority to act on his / her behalf.
- viii. The Board reserves rights to withdraw its approval at any time, if it finds any misrepresentation of facts stated in the application.

# AREAS OF INVESTMENT

**Part 1:** The following activities are reserved for citizens of Sri Lanka.

- (i) Money Lending
- (ii) Pawn brokering
- (iii) Retail trade a capital of less than US Dollar one million.
- (iv) coastal fishing

**Part 2:** The following activities, while not necessarily to foreign investment, are regulated by specific laws or organizations, and hence are subject to approval by other statutory agencies BOI will, however, direct potential foreign investors to the appropriate State agency.

- (i) Air Transportation
- (ii) Coastal Shipping
- (iii) Industrial Undertakings in the Second Schedule of the Industrial Promotion Act No. 46 of 1990,  
Namely :-

Any industry manufacturing arms and ammunition, explosives, military vehicles and equipment, aircraft and any other military hardware.

Any industry manufacturing poisons, narcotics, alcohols, dangerous drugs and toxic, hazardous or carcinogenic materials.

Any industry producing currency, coins or security documents.

- (iv) Large-scale mechanized mining of gems
- (v) Lotteries

**Part 3:** Foreign investment up to 100 % of the capital of any enterprise which is already carrying on or proposing to carry on a business activity other than those listed in parts 1, 2 and 4 as indicated in this page will be approved by the BOI.

**Part 4:**

- (A) Foreign investment up to 40 % of equity in a company proposing to carry on a business activity listed below other than those listed in Parts 1 and 2 will be approved by BOI.
- (B) Foreign investment in excess of 40% (and up to 100%) in a company proposing to carry on a business activity listed below, other than those listed in Parts 1 and 2 will be approved by BOI on a case by case basis in consultation with the relevant Authorities. This situation will be reviewed every two years with the aim of further simplification.
  - (i) Production of goods where Sri Lanka's exports are subject to internationally determined quota restrictions.
  - (ii) Growing and primary processing of tea, rubber, coconut, cocoa, rice, sugar and spices.
  - (iii) Mining and primary processing of non-renewable natural resources.
  - (iv) Timber-based industries using local timber.
  - (v) Fishing (deep sea fishing)
  - (vi) Mass Communications.
  - (vii) Education.
  - (viii) Freight Forwarding.
  - (ix) Travel Agencies.
  - (x) Shipping Agencies.

# Board of Investment of Sri Lanka

## Application for Investment Approval

For office use only

### UNDER SECTION 16 OF THE BOI LAW

#### 1. Investor Profile

Particulars of Investor 1		Particulars of Investor 2	
Name	.....	Name	.....
Address	.....	Address	.....
No. / Street	..... City :.....	No. / Street	..... City :.....
State / District	..... Country :.....	State / District:	..... Country:.....
Postal Code	.....	Postal Code	.....
Tel :..... Fax :..... Email :.....		Tel :..... Fax :..... Email :.....	

(When the number of Investors is more than two, please attach a separate sheet)

#### 2. Project Profile

##### 2.1 Form of Venture

New Company

Issuance/Transferring of shares of an existing company

##### 2.2 Project Activity/Brief Description :

.....

##### 2.3 Identify the activity as per the "Areas of Investment" as shown overleaf.

Part 3

Part 4

##### 2.4 Proposed Investment (USD) :

Fixed Capital : ..... Working Capital: ..... Total : .....

##### 2.5 Proposed Financing (USD) :

Share Capital

Loan Capital

Foreign : .....

Foreign : .....

Local : .....

Local : .....

Total : .....

Total : .....

##### 2.6 Project Location Address :.....

Land Ownership : Private  State  If State, the Agency

##### 2.7 Employment (Number) : Foreign : ..... Local : ..... Total : .....

#### 3. Remittable Liabilities (Rs. Mn.)

Royalty

Technical Services Fee

3.1 Basis of computation : .....

3.2 Period of payment : .....

#### 4. Project Implementation Programme (Number of months after obtaining Approval)

4.1 Commence construction or initiating to finance the Project (as applicable) : .....(months)

4.2 Commence Commercial Operation : .....(months)

#### 5. Contact Person in Sri Lanka (if any)

Name : .....

Address : .....

Tel : ..... Fax : ..... Email : .....

#### 6. Declaration

I declare that the information furnished above in this application, attachments and otherwise represented are true and correct in all respects and undertake to inform the BOI immediately if any change in information given above.

Name : ..... Designation : .....

Tel : ..... Fax : ..... Email : .....

Signature:

Date:.....

**NOTES :**

**APPLICATION SHOULD BE SUPPORTED BY :**

- i. Draft Articles of Association of the Company.
- ii. Statement of names of the proposed shareholders and the number of shares held by each of them signed by the Applicant.
- iii. Statement of the names and addresses of the proposed Directors signed by the Applicant, and
- iv. Proof of inward remittance along with Bank Credentials of the proposed investors.
- v. In the event, the application is forwarded by a representative of the proposed new shareholders, he or she should submit a copy of a letter of authority to act on their behalf which shall also indicate of individual, foreign equity contribution of each foreign collaborator.