

Public Finance Circular No: 415

Treasury No: PUB/FIN/T/02/10

Department of Public Finance

General Treasury, Colombo 01

06. 05. 2005



To: All Secretaries to Ministries,  
Chief Secretaries of Provincial Councils,  
Heads of Departments,  
Chairman of State Corporations, Statutory Boards,  
Government Owned Companies,  
Heads of Local Authorities and Project Directors  
And Governor of Central Bank.

**RESERVATION OF IMPORT CARGO FOR THE  
CEYLON SHIPPING CORPORATION LIMITED (CSCL)**

1. Your kind attention is drawn to public Finance Circular No. Fin 347, dated 03<sup>rd</sup> September 1996, with regard to the above matter.

The Cabinet has decided at its meeting held on 21. 12. 2004 to continue the Government Import Cargo Reservation Scheme for the Ceylon Shipping Corporation Limited, with immediate effect.

Therefore, it is a requirement that all government agencies such as Ministries, Departments, Corporations, Statutory Boards including Foreign Funded Projects, Government owned Companies which import cargo from foreign countries should make their purchases on FOB terms or any other similar INCO terms as stipulated in their Letters of Credit (L/C) that the cargo should be carried on Ceylon Shipping Corporation vessels.

2. All government agencies should invite offers for cost of goods (FOB terms or any other similar INCO terms excluding freight) and freight (C & F terms or any other similar INCO terms) separately when calling tenders. It would then be possible for those government agencies to take up with the CSCL to negotiate the best terms for shipping goods and to consider whether it would be cheaper on the overall to import on 'freight payable at destination basis' (FOB terms or any other similar INCO terms for payment of freight at destination) through CSCL. It is therefore imperative that CSCL be consulted before a final award is made. If carriage through CSCL is favorable a clause should be inserted in the letter of credit and sale contract that 'cargo should be shipped on a vessel of CSCL or a vessel nominated by CSCL under CSCL Bill of Lading on freight payable at destination basis'.
3. All departments and purchasing institutions should submit one copy of the Proforma Invoice indicating freight, to CSCL before placing the order / opening L/C with the following information to obtain the written confirmation from CSCL.