1. How to determine a residential status of the customer?
2. Types of transactions
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4. Currency issuance for travelling purpose
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6. Queries related to Credit and Debit cards
7. Facilities to Non Residents
8. Types of Foreign currency accounts
   1. **How to determine a residential status of the customer?**
9. Who can be considered as a Sri Lankan Resident Person?

* Sri Lankan citizens, foreigners married to Sri Lankans citizens, if they have stayed more than 183 days in Sri Lanka during the last 12 months.
* Sri Lankan citizens who have left the country temporary i.e. not more than 182 days.
* Sri Lankan citizens who live in foreign countries on student visas. (not more than 182 days upon completion of studies)
* Diplomatic representatives, Consuls & Trade Commissioners of the Sri Lankan Government & their family members who lived abroad.
* Staff members of Government Corporations/Institutions, Statutory Boards, Licensed Banks or companies incorporated in Sri Lanka who serves abroad and their family members live abroad.
* Foreigners who are in or employed in Sri Lanka on resident/employment visas.
* Companies incorporated in Sri Lanka, Overseas Companies registered under the Companies Act, Companies registered as offshore companies, and Clubs, societies or any other organizations including Non- Governmental Organizations registered in Sri Lanka.
* Sri Lankan citizens employed on a Sri Lankan ship

1. Who is an Emigrant

* A Sri Lankan national who has obtained Permanent Residency status or Citizenship in another country, or
* A dual citizen of Sri Lanka whose mother or father was born in Sri Lanka, or
* a non-Sri Lankan citizen whose mother or father was born in Sri Lanka and whose birth has been registered in Sri Lanka,
* Including minors of above persons

1. Can Sri Lankan nationals resident outside Sri Lanka open and maintain Current, Savings or Term Deposit accounts in Sri Lanka Rupees?

Yes, Sri Lankan nationals’ resident outside Sri Lanka excluding emigrants may open and maintain Current, Savings or Term Deposit accounts in Sri Lanka Rupees.

1. If the customer is an individual living in Sri Lanka, what are the foreign currencies accounts can open in Sri Lanka?

* Personal Foreign Currency Account (PFCA)
* Business Foreign Currency Account (BFCA) for persons who exporting goods or services outside Sri Lanka
* Outward Investment Account (OIA) to make capital investment outside Sri Lanka
  1. **Types of transactions**

1. What is a Current transaction?

Include foreign exchange transactions relating to goods and services in trade and non-capital nature

Eg:

Import of goods

Export of goods

Payments of expatriates (a person who lives outside their origin country)

Investment income like interest/dividends

Please refer to the Direction No 02 of 2021 on current transaction direction

1. What is a Capital transaction?

Capital Include foreign exchange transactions related to acquisition or sale of real and/or financial assets

Eg:

* Investments by resident in overseas
* Investments by non-resident in Sri Lanka
* Migrant capital fund transfer
* Miscellaneous Capital Transactions
  1. **The current transaction related TTs?**

1. Is it possible to send money abroad for family living expenses?

Yes, Remittances of funds for maintenance of families or dependents (parents, spouse, children) living abroad excluding emigrants.

For emigrants living abroad subject to CTRA regulation

1. Is it possible to pay educational expenses abroad by debiting LKR Account? Yes, you can pay educational expenses abroad by debiting the LKR account of an immediate family member or the student account, subject to the provision of documentary evidence.
2. Can company incorporated in Sri Lanka remit salary payments for Director’s account maintained outside Sri Lanka who are non-resident?

Yes, subject to documentary evidence

* 1. **Currency issuance for travelling purpose**

1. What is the maximum foreign currency withdrawal limit for **travel purposes**?

The Bank may issue up to a maximum of USD 5,000 or its equivalent in other foreign currency, with an appropriate endorsement made on the passport.

Bank may issue foreign currency notes as a part of travel allowance to persons resident in Sri Lanka who are travelling abroad for the purposes

* travel for leisure and holidays,
* sports, recreational and cultural activities,
* visits for relatives and friends,
* pilgrimage,
* business purposes,
* training,
* medical
* studying abroad (in the event of persons under student visas this allowance shall be supported by documentary evidence from relevant Educational Institutions or Foreign government authorities, as may be applicable),

1. What is the maximum foreign currency issuance limit for a Sri Lankan who is traveling abroad for employment?

Bank may issue foreign currency notes up to maximum of USD 15,000 or its equivalent to resident person who intends to leave Sri Lanka under TR visa for the purpose of **initial settlement.**

1. What is the maximum foreign currency issuance limit for a Sri Lankan individual who resides either in Sri Lanka or abroad and has obtained a temporary resident visa in another country?

Bank may issue foreign currency notes up to maximum of USD 30,000 or its equivalent Sri Lankans who have obtained a TR Visa from another country subject to CTRA regulation.

(Sri Lankan Citizens who will falls into a category of a visa that entitles to obtain PR or citizenship in that countries at a future date).

1. What is the maximum amount of foreign exchange that the Bank may issue as a travel allowance to Sri Lankans who are permanent residents of another country or dual citizens, and are currently working or residing in Sri Lanka, but travel to the country of their permanent residency or citizenship?

USD 5,000 subject to CTRA regulation

1. How to determine the issuance of travel amount?

**To determine the travel amount, consider the following factors:**

1. **Travel Country**: Research the cost of living and expenses in the destination country.
2. **Duration of Stay**: Calculate the total expenses based on the length of your stay.
3. **Valid Visa**: Ensure that customers have the necessary visa and the return air tickets
4. Do individuals need to declare foreign currency to Sri Lanka Customs?

a)    When arriving in Sri Lanka: Yes, individuals need to declare foreign currency to Sri Lanka Customs when they arrive in Sri Lanka if the amount exceeds USD 15,000 or its equivalent in other foreign currencies.

b)   At departure from Sri Lanka: individuals need to declare foreign currency to Sri Lanka Customs when they depart from Sri Lanka if the amount exceeds USD 15,000 or its equivalent in other foreign currencies.

* 1. **Possession of Foreign currency**

1. Can a person keep foreign exchange with them?

If you have unutilized travel allowance or if you received salaries while working abroad, you can keep foreign exchange upto USD 10,000/- .

If you are living in Sri Lanka, you can accept foreign currency for goods and services supplied to a foreigner. However, within 7 days, you need to deposit such money to a Business Foreign Currency (BFCA) or sell to a

Bank and obtain Sri Lanka rupees.

* 1. **Queries related to credit and debit cards issuance?**
     1. Can a person use his debit or credit card to make payments outside Sri Lanka?

Yes, a person in or resident in Sri Lanka may use a debit or credit card for making payments to person’s resident outside Sri Lanka only in respect of current transactions of personal nature.

However the following transactions are prohibited

* Dealings in foreign exchange (Forex Trading)
* Payments related to virtual currency transactions
* Payments related to betting, gaming and gambling activities outside Sri Lanka
* Payments for import of goods to Sri Lanka for commercial purpose subject to the Regulations and Operating Instructions issued under the Import and Export (Control) Act, No 01 of 1969 and any amendments thereto
  + 1. What are the accounts that we can issue Debit Cards?
* A holder of a Business Foreign Currency Account (BFCA)
* A holder of a Personal Foreign Currency Account (PFCA)

A holder of a Diplomatic Foreign Currency Account (DFCA) or a Diplomatic Rupee

Account (DRA)

* A holder of an Inward Investment Account (IIA)

* A holder of a Capital Transaction Rupee Account (CTRA) -Should be restricted within Sri Lanka usage)
* A holder of an Emigrant's  Remittable Income Account (ERIA)
* A holder of a Non-Resident Rupee Account (NRRA) - Should be restricted within Sri Lanka usage
* A holder of a VISA Programme - Sri Lanka Rupee Account (VPRA)
  + 1. Can a person resident outside Sri Lanka obtain a credit card?

To persons resident outside Sri Lanka only up to a limit of 90% of funds available in the foreign currency accounts in Sri Lanka of such person held as collateral/ security; where settlement of expenditure incurred on such credit cards shall be settled through inward remittances from abroad, with funds held in the foreign currency accounts or from ERIA, if available.

* + 1. Can resident dual citizens apply for credit cards?

To Sri Lankans who have obtained dual citizenship in Sri Lanka and in any other country while being a resident in Sri Lanka subject to the expenditure incurred on such credit cards shall be settled through inward remittances from abroad, with funds held in the foreign currency accounts or in ERIA (if available) or from Sri Lanka Rupee earnings of the card holder.

* + 1. Who is eligible to use debit cards freely for any purpose outside Sri Lanka?

A holder of a PFCA being a person resident outside Sri Lanka

* A holder of a PFCA being a person resident outside Sri Lanka
* A holder of a Diplomatic Foreign Currency Account (DFCA)

Account (DRA)

* A holder of an Inward Investment Account (IIA)

* A holder of an Emigrant's  Remittable Income Account (ERIA)
  + 1. Who is eligible to use debit cards to make payments outside Sri Lanka for current transactions?
* A holder of a BFCA
* A holder of a PFCA being a person resident in Sri Lanka
* A person resident in Sri Lanka who has proceeded outside Sri Lanka temporarily for business, education or medical purposes
* A holder of a NRRA being a firm or a company established/ incorporated outside Sri Lanka
* A holder of a DRA
* A holder of a VPRA
  + 1. Who is eligible to use debit cards to make payments outside Sri Lanka for capital transactions?
* A holder of a BFCA
* A holder of a PFCA being a person resident in Sri Lanka
  + 1. Can we issue debit /credit cards to companies incorporated in Sri Lanka?

The Bank may issue EFTCs to companies/ institutions incorporated or registered in Sri Lanka (i.e., corporates), in the names of designated employees or directors of such corporates who are persons resident in Sri Lanka, as per an approved internal procedure for making any payment in foreign exchange related to current transactions of such corporate other than for the use of payments for below purposes

* Dealings in foreign exchange (Forex Trading);
* Payments related to virtual currency transactions;
* Payments related to betting, gaming and gambling activities outside Sri Lanka;
* Payments for import of goods to Sri Lanka for commercial purpose subject to the Regulations and Operating Instructions issued under the Import and Export (Control) Act, No. 01 of 1969 and any amendments thereto.
  + 1. What is the requirement for cardholders in Sri Lanka if they migrate or leave the country for permanent residence or employment abroad?

If the cardholder migrates or leaves Sri Lanka for permanent residence or employment abroad, the card issued to such person in Sri Lanka shall be surrendered to the card issuing bank, except in the event that an EFTC is issued for making settlements in foreign exchange against funds held in the BFCAs, PFCAs, DFCAs, DRAs, IIAs, ERIAs or on the basis that outstanding amounts are settled through inward remittances.

* + 1. Can a debit card issued against the LKR be used if the cardholder migrates or leaves the country for permanent residence or employment abroad?

No. If the cardholder migrates or leaves Sri Lanka for permanent residence or employment abroad, the card issued to such a person in Sri Lanka must be surrendered to the card-issuing bank. The bank can issue a debit card against the PFCAs, IIAs, or ERIAs of the account holder.

* + 1. What are the restrictions on issuing debit and Credit cards as supplementary cards to person’s resident outside Sri Lanka?

The Bank shall not issue EFTCs as supplementary cards to persons resident outside Sri Lanka unless where the primary card holders are also persons resident outside Sri Lanka.

* 1. **Facilities to Non Residents** 
     1. Who are eligible persons?

The Sri Lankans employed abroad (other than emigrants) who maintain Personal Foreign Currency Accounts (PFCA).

To Sri Lankans resident outside Sri Lanka on PR in another country & individuals who have obtained Dual Citizenship in Sri Lanka

Accommodations via FCBU accounts

* + 1. Who can we consider as Sri Lankans employed abroad?
    - Sri Lankan who have been granted employment visas by their respective country.
    - PR holders, Dual Citizens, Temporary Residency Visa (TR), Dependent Visa, Student Visa and Business Visa etc. will not be eligible.

The Borrower should submit the following

* + - Evidence regarding the availability of Employment Visa, Work permit, etc.
    - Valid employment contract and the salary details
    1. For what purpose can these loans be granted?

1. To utilize any purpose in Sri Lanka.

2. To make payment in respect of current transactions of the immediate family members of the borrower who are residents in Sri Lanka.

e.g. Overseas university payments, Overseas medical payments, etc.

* + 1. What type of security can we obtain when granting loans and advances?

The new Direction is silent on the security to be obtained. It is the responsibility of the branches to cover the credit risk based on the Bank’s credit guidelines to avoid any unforeseen circumstances.

e.g. Loss of employment /expiration of working visa etc.

* + 1. Under what circumstances can these loans are considered in joint names?

These loans may be considered to Sri Lankans employed abroad jointly with an immediate family member (spouse, children, or parents), who is a person resident in Sri Lanka where the mortgaged property is owned by such person resident in Sri Lanka, under the normal banking procedure.

However, loans are to be serviced through the income of the borrower who is working abroad through the PFCA /IIA or inward remittances from abroad.

* + 1. What should be considered before grant a loan?

The standard credit evaluation is to be carried out whilst considering the borrower’s ability to repay the loans & advances in FCY.

* + 1. What is the procedure to release the loan funds after completing other standard procedures & obtaining security documents?

Loan proceeds in FCY or in LKR, are to be disbursed in LKR to the “PFCA Loan Account” (PLA)

Except in the event:

Where borrower requests to transfer such loan proceeds to a Business Foreign Currency account or to an account in the Offshore Banking Unit of a property developer who is engaged in the business of sale of property in Sri Lanka & permitted to accept Foreign Currency.

* + 1. Through which accounts should the loans or advances be repaid?

1. Inward remittances from abroad through the banking system in favor of the borrower’s PFCA Loan Account (PLA).

Or

2. Funds transferred from the following accounts of the borrower

Personal Foreign Currency (PFCA)

Inward Investment Accounts (IIA)

FCBU

* + 1. What are the permitted Debits through PLA?
* Disbursement in Sri Lanka in Sri Lanka Rupees. (transfer funds to rupee accounts)
* Outward remittances in respect of current transactions of the immediate family members of the borrower who are residents in Sri Lanka.

e.g. Overseas University payments, Overseas medical payments, etc.

* + 1. What are the permitted Credits through PLA?
* Loans and advances disbursed in Sri Lankan rupees
* Remittances from abroad through the banking system in favour of the borrower
* Or funds transfer from PFCA, IIA or FCBU of the borrower for the purpose of service/repayment of the loan.
  + 1. In the event, the borrower discontinues or ceases his/ her overseas employment & becomes a resident in Sri Lanka, what is the procedure to be followed?

Any balance outstanding on the loan/ advance including the loans/ advances in FCY (which requires to be converted into SLR loan/ advance) may be serviced in LKR subject to verifying necessary documentary evidence about the cessation of employment of such borrower.

However, the balance available in the PFCAs & any other FCY accounts should be fully utilized before servicing the loans & advances in SLR.

Further, the following documents are to be obtained.

* Copy of the Passport carrying the stamp ‘disembarkation in Sri Lanka’.
* Expiry of employment visa.
* Copy of the Letter of Acceptance of Resignation /or Termination Letter / or Documents evidencing the payment of terminal benefits, if any.
* An Undertaking letter from the customer that he/ she would notify the Bank, if he/she leaves the country for foreign employment, in the future.
* An affidavit to the effect that his/ her overseas employment is over & that he/she does not hold any foreign currency accounts/assets in his/her name elsewhere.
  + 1. What is the procedure for recovery of Loans & Advances at default?

As a last resort, loans & advances may be recovered in SLR, when recovery of such FCY loans/advances is remote. The Branch should satisfy that the borrower has become a resident in Sri Lanka, does not receive sufficient foreign exchange from employment overseas, or has no sufficient FCY assets including balances in the FCY accounts to service the loans/ advances in FCY.

**Loans to Sri Lankans, resident outside Sri Lanka on Permanent Residency (PR) in another country or dual citizens**

* + 1. Who are eligible to obtain loans?

Loans can be considered to Sri Lankans resident outside Sri Lanka on PR in another country & individuals who have obtained Dual Citizenship in Sri Lanka irrespective of their residential status.

* + 1. For what purpose these loans can be granted?

1. To acquire residential property in Sri Lanka.

2. To construct/ develop/ renovate a residential property in Sri Lanka.

* + 1. Type of loan?

Housing Loans

* + 1. Can we consider a loan in joint names with a close family member?

Yes, only if the other party is also a PR holder/ Dual Citizen, however:

• Both should be Resident outside Sri Lanka or

• Both should be Residents in Sri Lanka

* + 1. What are the conditions that apply for the loan?

Where the property is held as collateral for the borrowing, Bank should obtain a valuation of such property from a valuer selected in terms of the Prudential Regulations issued under the Banking Act, no 30 of 1988 before granting the loan.

If such loan proceeds are utilized for the construction/development/renovation such property should,

• An inherited property of the borrower or

• The acquisition of such property by the borrower while he/she was a resident in Sri Lanka.

* + 1. What should be considered prior to grant loans?

FCY loans or LKR loans should be granted after assessing the credit risk of such loans, particularly considering the borrower’s ability to repay the loans in foreign currency.

* + 1. What is the procedure to release the loan funds after completing other standard procedures & obtaining security documents?

**Loans in FCY**

a. A “FEELA Account –FCY” is to be opened in the name of the borrower, to disburse the loan proceeds and receive repayments of the loan.

**Except in the event:**

Where borrower requests to transfer such loan proceeds to a Business Foreign Currency account or to an account in the Offshore Banking Unit of a property developer who is engaged in the business of sale of property in Sri Lanka & permitted to accept Foreign Currency.

b. The account should be closed immediately upon settling the loan in full.

c. Should be repaid in FCY through inward remittances or by utilizing funds available in PFCAs, IIA, or FCBU of the borrower.

**Loans in LKR**

a. A “FEELA Account –LKR” is to be opened in the name of the borrower, to disburse the loan proceeds and receive repayments of the loan.

b. Should be repaid in FCY through inward remittances or by utilizing funds available in PFCAs, IIA, FCBU, or ERIA of the borrower.

(For this purpose, payments made from IIA-SLR account and ERIAs are recognized as inward remittances).

* + 1. What is the procedure for the Recovery of Loans in Sri Lankan Rupees?

1. Loans may be recovered in SLR, when recovery of such loans has been classified as sub-standard.
2. The balance available in the PFCAs & any other FCY accounts should be fully utilized before servicing the loans & advances in SLR.
3. The affidavit should be obtained that the borrower does not hold any foreign currency accounts/assets in his/her name elsewhere.
4. Except for otherwise, Bank is not permitted to recover defaulted loans, in Sri Lankan Rupees.
   * 1. Can we grant facilities to Dual Citizens residents in Sri Lanka for purposes other than purchase or construction of the residential property?

Yes, provided that such Dual Citizen is resident in Sri Lanka.

Residency should be established with clear documentary evidence and the intention to reside for a longer tenure should be established.

Since a Dual Citizen can change the residency at any given time, the credit risk of granting facilities to resident dual citizens should be properly evaluated.

Further such facts should be mentioned in appraisal reports, for approving authorities' sound decision making.

**Accommodation to Business Foreign Currency Accounts (BFCAs) holders**

* + 1. Who are eligible to obtain?

Accommodations in FCY to holders of BFCAs (Who earns foreign currency from outside Sri Lanka )

* + 1. For what purpose these loans can be granted?

1. To utilize for any purpose in Sri Lanka.

2. To make payments in respect of current transactions of the borrower

* + 1. What should be considered before grant loans?

The Bank officers should prudently assess the credit risk, particularly on the ability of the BFCA holders to serve such accommodations out of foreign currency earnings from outside Sri Lanka.

* + 1. What is the procedure to release the loan funds after completing other standard procedures & obtaining security documents?

A “BFCA Loan Account - BLA” is to be opened in the name of the borrower, to disburse the loan proceeds and receive repayments of the loan.

* + 1. What are the permitted Debits through BLA?

1. Outward remittances in respect of current transactions of the borrower.
2. Repayment of the accommodation obtained under this direction.
3. Remittance/transfer of funds to an account maintained outside SL or an IIA or an account maintained in the OBU of the foreign lender, for the purpose of servicing /repayment of the loans.
4. Transfer of funds to an account maintained in the OBU of the borrower for the settlement of other accommodations obtained by the borrower from OBU.
5. Disbursements in SL rupees (transfer funds to rupee accounts)
   * 1. What are the permitted Credits through BLA?

Recovery of accommodation in Sri Lanka rupees can be carried out as a last resort where necessary.

In this regards Bank officers should

1. Satisfy and required to maintain necessary documentary evidence to the effect that borrowers do not receive sufficient foreign exchange cash flows from their normal course of business to serve the accommodation in FCY
2. FCY denominated accommodations should be converted to LKR accommodation.
   1. **Types of Foreign currency accounts**

**8.1 Personal Foreign Currency Account (PFCA)**

1. Can a new Personal Foreign Currency Account (PFCA) be opened by depositing unutilized balance of foreign travel allowance? Yes, a new PFCA can be opened by depositing an unutilized balance of foreign travel allowance.
2. Can a person deposit cash and open a PFCA? Yes, a person can deposit cash and open a PFCA. The funds should be brought into the country by the accountholder. The relevant declarations should be submitted to the Bank. If exceeding USD 15,000 or equivalent in any other foreign currency the custom declaration is required. If less than USD 15,000 or equivalent the relevant Bank declaration is required.
3. Are dual citizens eligible to open Personal Foreign Currency Accounts (PFCAs)? Yes, dual citizens, resident in or outside Sri Lanka, are eligible to open Personal Foreign Currency Accounts.
4. Can any Sri Lankan resident individual open a Personal Foreign Currency Account (PFCA) without having a regular foreign exchange income? Yes, any Sri Lankan resident individual can open a Personal Foreign Currency Account (PFCA) without having a regular foreign exchange income.
5. If a person resident outside Sri Lanka remits foreign currency to a person resident in Sri Lanka, can the recipient open a Personal Foreign Currency Account (PFCA) with such funds? Yes, a person resident outside Sri Lanka can remit foreign currency to a person resident in Sri Lanka, and the recipient can open a Personal Foreign Currency Account (PFCA) with such funds.
6. Can the holders of Personal Foreign Currency Accounts withdraw foreign currency notes for any purpose?

No. PFCA holders are eligible to withdraw only for travel purposes of the account holder or immediate family members.

However, if account holder is a non-national resident outside Sri Lanka who is on temporary visit to Sri Lanka, can withdraw in foreign currency;

1. Can funds be transferred from a PFCA to another account?

Yes, funds can be transferred from a PFCA to another account, such as a

Business Foreign Currency Account of a local educational institution for the purpose of paying course or tuition fees for immediate family members who are enrolled as students of such educational institutions.

Transfers to a PFCA or an account maintained in the OBU of person resident outside SL in respect of current transaction

Transfers to other PFCAs or accounts maintained in the OBU, irrespective of the account holder where both parties are persons resident outside Sri Lanka, excluding for the purposes of acquisition of investments or assets in Sri Lanka

Transfers to an OIA of another person (i.e. seller) being payments for purchase of a permitted investment in overseas which have been made by the seller through the same OIA;

1. What are the permitted transactions for PFCA holders?

1. Permitted Credits

* Inward remittances received from outside SL in favor of the account holder
* Transfers from a PFCA of the same account holder and or immediate family member
* Transfer from a PFCA or FCBU of a person resident outside SL, in respect current transactions
* Transfer from other PFCAs or FCBU irrespective of the account holder where both parties are persons resident outside SL
* Unutilized foreign currency obtained for travel purposes by the account holder and or immediate family member.
* Foreign currency brought into Sri Lanka by the accountholder upon obtaining appropriate declaration
* Transfers from BFCA/IIA/OBU of the same account holder
* Non Nationals and Dual citizens who employed in SL can be transfers funds from BFCA or SL Rupee accounts of the employer
* Maturity proceeds including interest on the Special Deposit Accounts (SDAs)

2. Permitted Debits

* Outward remittances from PFCAs are limited to the following instead of any outward remittances.

1. In respect of current transaction of the account holder and/ or immediate family members who are persons resident in SL
2. In respect of capital transactions of the account holder being a person resident in SL
3. Any purpose where account holder is a person resident outside Sri Lanka

* Disbursements in Sri Lanka in Sri Lanka Rupees;
* Transfers to a PFCA of the same account holder and/or immediate family members
* transfers to a BFCA or FCBU of the same account holder
* transfers to a PFCA or FCBU, of a person resident outside Sri Lanka in respect of a current transaction
* Transfer to other PFCA or FCBU irrespective of account holder where both parties are persons resident outside Sri Lanka.
* Withdrawal in foreign currency notes up to USD 5,000 of the account holder and/or immediate family members for traveling purposes
* transfer of funds for repayment/ service of loans and advances obtained by Sri Lankans Employed Abroad
* Transfer of funds to FCLA or to a LLA of the same account holder
* where account holder is a non-national or a dual citizen employed in Sri Lanka being; transfers to BFCAs, accounts maintained in the OBU or Sri Lanka Rupee Accounts of the employer in respect of overpayment
* Payments for making investment in SLDBs in foreign currency
* Non-nationals who is on temporary visit to SL, withdrawals in FCY

Please note that this is an indicative list of permitted transactions. You are kindly requested to visit the following links for a complete list of transactions.

<https://www.dfe.lk/web/images/rdevelopment/4e902b5e0def8eca33ab3cd144005635-Directions-No.%2004%20-%20Personal%20Foreign%20Currency%20Accounts.pdf>

<https://www.dfe.lk/web/images/rdevelopment/f4899d732567756887c1818a2dbf5724-Directions-No.%201%20of%202022%20Amendments%20to%20PFCA%20Directions.pdf>

https://www.dfe.lk/web/images/rdevelopment/321e72c42f34edbe4d78c6c8d5b1edd3-Directions-8.pdf

1. Can a foreigner open PFCA accounts?

Yes, a foreigner can open a PFCA account in Sri Lanka. However, they can only maintain one PFCA in the banking system and it must be held as a sole account.

1. Are there specific limitations for outward remittances on capital transactions through PFCA?

Yes, there are specific limitations for outward remittances on capital transactions through PFCA due to the Order issued under the Section 22 of Foreign Exchange Act (FEA)

PFCA held by a person resident in Sri Lanka are limited to a maximum of USD 20,000 or equivalent in any other designated foreign currency.

1. Can foreign currency be deposited into a PFCA over the counter?

Yes, unutilized foreign currency obtained for travel purpose, unutilized balance remaining in the Foreign Travel Card of the accountholder or the immediate family members or foreign exchange brought into Sri Lanka by the account holder on a declaration to Department of Customs where such foreign exchange exceeds USD 15,000 or its equivalent can be deposited into PFCA.

1. Can funds be transferred from a Business Foreign Currency Account to a PFCA?

Yes, funds can be transferred from a Business Foreign Currency Account to a PFCA, provided that the

1. PFCA and BFCA are the same accountholders

2. A PFCA accountholder is a non-national or a dual citizen employed in SL receiving payments from the employer in respect of salaries, employment and retirement benefits or any other payments due to such employee;

3. PFCA account holder is a citizen of Sri Lanka working abroad in a vessel/ aircraft owned by a local shipping/ airline company receiving funds from the employee irrespective of crew salaries/ wages and other related employment and retirement benefits;

4. A PFCA accountholder is a citizen of Sri Lanka rendering services outside Sri Lanka to an overseas employer; transfers from a BFCA of a company incorporated in Sri Lanka which has arrangements with the overseas employer for the disbursement of wages and/ or earnings to the account holder;

1. Can PFCA open jointly?

Yes, PFCA can be opened jointly with an immediate family member.

1. Can a PFCA holder invest outside SL?

Yes, a PFCA holder can invest outside Sri Lanka

1. Can we deposit FCY received as a gift into the PFCA? No, FCY notes received as gifts cannot be deposited into a PFCA. Only unutilized travel balances or FCY brought into SL can be deposited.
2. Immediate family members shall mean?

According to the PFCA Directions, immediate family members **Spouse, parents and children**

1. What is the required documentation open PFCA?

* When the accountholder is a Sri Lankan

Valid identification document, Address verification proof

* When the accountholder is a SL origin including a minor who is a resident outside Sri Lanka

Nationality, Passport number, date of issue and validity period, foreign address, Citizenship or nature of visa granted by a foreign Government, Date of departure from Sri Lanka

* When the accountholder is a non-national resident in Sri Lanka.

Passport and visa granted by the Department of Immigration and Emigration, Full name, nationality and foreign address, Address of workplace in Sri Lanka and designation, if any, Employment contract and salary particulars, if non-national required to transfers salaries from BFCA, FCBU or Sri Lanka rupee account of the employer

* When the accountholder is a Non-national either on temporary visit

Full name, nationality and foreign address, Passport and visa pages

1. Can a minor open PFCA?

Yes, a minor can maintain a PFCA, subject to such accounts be credited remittances in foreign exchange received from their parents, grandparents or guardians who are residents outside Sri Lanka or transferring funds from existing PFCAs of parents, grandparents or guardians.

* 1. **Business Foreign Currency Account (BFCA)**
  2. Who will be eligible to open BFCA?

An individual resident in Sri Lanka;

A sole proprietorship or partnership registered in SL

A company incorporated in SL

A company registered as an overseas Company act

* 1. Can an indirect exporter, who provides goods or services to a person residing in Sri Lanka and earns foreign currency, open a BFCA? Yes, an indirect exporter, who complies with the requirements and/ or recommendations of Board of Investment of Sri Lanka or Export Development Board or registered under Temporary Import & Export Processing (TIEP) scheme and importing goods for process and supply such goods to the direct exporters, can open a BFCA.
  2. Can export proceeds from goods be transferred to another bank account for better interest rates? Yes, any residual remaining after converting the export proceeds into LKR can be transferred into another account of the same accountholder
  3. Do we need to convert Export proceeds into LKR? Yes. Every exporter of goods who receives export proceeds in Sri Lanka must convert the remaining balance of these proceeds into Sri Lanka Rupees upon utilizing them for authorized payments before the tenth (10th) day of the month after expiration of the three (03) calendar months including the month of receipt of the proceeds.
  4. What are the authorized payments?

Authorized payments related to export proceeds include:

Payments in respect of current transactions related to the export business;

Debt servicing expenses and repayment of foreign currency loans;

Payments of dividends declared to non-resident investors and/ or payments of salaries to expatriate employees who are foreign nationals or dual citizens

Withdrawal in foreign currency notes or transfer of funds for travel purposes related to export business;

 Payments in respect of making investments in Sri Lanka Development Bonds in foreign currency up to 10% of the export proceeds, so received; and

Payments to indirect exporters of goods and services that have commitments in foreign currency as permitted

* 1. Can a BFCA holder borrow from a non-resident for working capital purposes?

No, BFCA holders are not permitted to borrow from non-residents for working capital purposes

* 1. Is it possible to overdraw the BFCA account? No, it is not possible to overdraw the BFCA account.
  2. Can foreign currency be deposited into a BFCA over the counter? Yes, foreign currency can be deposited into a BFCA over the counter, when such FCY is;

1. Accepted by the account holder in Sri Lanka in respect of goods and services supplied by such person to a person resident outside Sri Lanka;

2. Brought into Sri Lanka by the account holder on a declaration to Department of Customs where such foreign exchange exceeds USD 15,000 or its equivalent

3. Accepted by the account holder who is carrying permitted business under duty-free concessions, being consideration for goods or services supplied to passengers (irrespective of the residential status) arriving in or departing from Sri Lanka at a port or airport in Sri Lanka

4. Unutilized foreign currency obtained by the account holder or remaining in the Foreign Travel Card been funded by debiting the same BFCA

* 1. Can a BFCA holder make salary payments in foreign currency to their employees? Yes,

1. When the account holder has an agreement with an overseas employer for disbursement of wages and/ or earnings to Sri Lankan citizens who are rendering services outside Sri Lanka; transfers to PFCAs or Sri Lanka Rupee accounts of the respective employees;

2. where account holder is local shipping/ airline company; transfers to PFCAs of Sri Lankan citizens working abroad in the vessels/ aircrafts owned by such shipping/ airline company being payment of crew salaries/ wages and other related employment benefits;

* 1. Can we issue a foreign draft from BFCA? Yes, a foreign draft can be issued from a BFCA.
  2. Can a BFCA holder issue foreign currency for travel purposes for their employees and directors? If so, are there any limits? Yes, a BFCA holder can issue foreign currency for travel purposes for their employees and directors. However, the total amount that can be issued per person per annum is USD 5,000.
  3. Can a BFCA holder invest outside SL? Yes, a BFCA holder can invest outside SL, directly by debiting funds from the BFCA or through OIA.
  4. Can local suppliers be paid under the authorized payments in terms of the Rules? Yes, local suppliers can be paid under the authorized payments in terms of the Rules.

**8.3 Inward Investment Account (IIA)**

1. What are the permitted investments in Sri Lanka for person’s resident outside Sri Lanka?

1. Invest, acquire, and hold all classes of shares of Companies incorporated in SL under the Companies Act Investment in debt securities including subsequent shares devolving

2. Shares in a company not incorporated in Sri Lanka and listed in CSE

3. Invest in debt securities

4. Grant of loans with a minimum of three years repayment to companies incorporated in SL

5. Investment in unit trusts, mutual funds and other securities of government

6. Treasure Bills and Bonds

7. Sri Lanka Development Bonds

8. Deposits in Licensed Financial Institutions.

9. Immovable properties

10. Any other investment approved by the Minister

11. Grant loans by the parent company incorporated outside SL to companies / branch office in SL

12. Grant loans to the Government/ State Owned Entities subject to approvals by relevant authority

13. Grant loans in FCY or SL to LCBs ,LSBs , LFC, SLC subject to approvals

1. As a non-resident, I invested in shares of a local company in 2013 without routing through an IIA. Can I repatriate dividend income?

Yes, even if the initial investment was not made through the IIA, any non-resident who invested in SL prior to 2017 is eligible to repatriate the dividend income by opening an IIA

1. What is the repatriation of the proceeds of the investments made prior to 20.11.2017

If investment made by a non-resident prior to 20 November 2017, they may repatriate the capital and the investment proceeds through an IIA opened by the respective investor.

1. What are the limitations available to make capital investment in Sri Lanka?

1. Exclusions – No investments;

1. Pawn Broking
2. Coastal Shipping
3. Retail trade where capital contributed by NR will be less than USD 5 Mn

2. Investment only up to 40% of the fully paid voting shares

1. Exports subject to international quota restrictions
2. Growing and primary processing of tea, rubber, coconut, cocoa, rice, sugar and spices
3. Mining of non-renewable national resources
4. Deep sea fishing
5. Mass communication
6. Freight forwarding
7. Travel agencies
8. Shipping agencies

3. Special approvals from relevant ministry /authority

* + 1. Air transportation
    2. Coastal Shipping
    3. Industries
       - Arms, weapons, ammunition, explosives, military vehicles etc.
       - poisons, narcotics, alcohol, dangerous drugs etc
       - Currency , coins or security documents
    4. Gem mining
    5. Lotteries

1. Can I invest in Units in a Unit Trust?

Yes

1. Can I invest in Treasury bonds (T-bonds) and Treasury bills (T-bills)?

Yes

1. Can I invest in listed debentures?

Yes

1. How can I buy immovable property in Sri Lanka?

As per the Land (Restrictions on Alienation) Act, No. 38 of 2014 (as amended), a foreigner (a person who is not a citizen of Sri Lanka) cannot purchase any land situated in Sri Lanka, except purchasing a condominium parcel specified under the Apartment Ownership Law, provided that the entire value is paid upfront through an inward foreign remittance prior to the execution of the relevant deed of transfer.

However, the above prohibition does not apply to dual citizens of Sri Lanka (within the meaning of the Citizenship Act).

1. Can non-resident investors lend money to Sri Lankan Companies?

Yes, a non-resident investor can lend money to a Sri Lankan company by sending direct remittances/ transfers from an IIA or an account maintained in the Off-shore Banking Unit of such a lender.

1. Can the customer make a fund transfer from IIA to third party IIA?

Yes, only for the purpose of purchase of permitted investment.

1. What are the permitted transfers from IIA?

1. Credits

* Inward remittances received outside SL in favour of the accountholder.
* FCY brought into the country by the account holder upon declaration (any amount)
* Transfer from PFCA, IIA, ERIA, DFCA, DRA, FCBU of the account holder
* Income or proceeds on permitted investments
* Transfer of migration allowance or current income from CTRA account holder
* Proceeds of non-materialized capital transactions
* Eg. Proceeds returns by the property developer from the BFCA due to termination of such agreement

2. Debits

* Disbursement in Sri Lanka rupees (e.g. Can be transferred to any LKR however please note funds cannot be repatriated )
* Any outward remittances in favor of the accountholder
* Transfer to PFCA, IIA, ERIA, DFCA, DRA, FCBU of the account holder
* Payments relating to permitted capital transactions
* Transfer of proceeds of the loans granted to the borrower

This is an indicative list of permitted transactions. Please refer to the following links for complete listing of authorized transactions.

<https://www.dfe.lk/web/images/rdevelopment/07a1296365a99f7b6f6757aecc1f070b-15-of-2021.pdf>

https://www.dfe.lk/web/images/rdevelopment/32723af2dcc9251b2f8815db33bc1386-Directions-No.%202%20of%202024%20(IIA).pdf

1. Can the customer transfer funds from IIA to BFCA?

Yes, transfers are allowed only to a BFCA maintained by a property developer if the investment is to purchase a condominium property

1. Have the payments of dividends and other capital proceeds relating to the investments made by non-residents in Sri Lanka through Inward Investment Accounts been suspended/limited by the Order made under Section 22?

No. inward investments or the repatriation of investment proceeds are not suspended/limited by the Order made under the Section 22 of FEA.

1. Who can invest in Sri Lanka?

1. A non –national resident in or out SL

2. Dual citizen resident in or out SL

3. PR holder resident in or out SL

4. Sri Lankan Employed aboard

5. A company incorporated outside SL

6. A partnership registered outside SL

7. County funds, Regional funds, mutual funds, unit trust and foreign institutional established outside SL

* 1. **Outward Investment Account (OIA)**

a. What are the permitted investments can be carried out via OIA

1. Shares

2. Unit Trusts

3. Corporate Bonds

4. Debentures

5. Sovereign Bonds

6. Setting up of overseas offices

7. Setting up of branch overseas

b. Who are the eligible persons?

1. Companies listed on the Colombo Stock Exchange

2. Companies unlisted on the Colombo Stock Exchange

3. Regulated or licensed entities

4. A registered partnership

5. An Individual or Sole proprietorship

6. A company and a partnership

7. LCBs and LSBs

8. An individual

c. Do we require CBSL approval to make investments via OIA

Yes, prior to the investment, a clearance letter from the DFE should be obtained mentioning that there is no pending suit, actions, proceedings, or prosecutions, investigations or any other recovery actions against the investor. The format of request for the clearance letter can be downloaded from the website www.dfe.lk.

d. Have the payments for Capital Transactions outside Sri Lanka been fully suspended under the Order issued under Section 22?

No. outward investments are not completely suspended from the Order 22

e. Can an individual make an investment outside Sri Lanka?

Yes, an individual is eligible to invest only in the **Employee Share Option Scheme (ESOS) or Employee Share Ownership Plan (ESOP)**, the prospectus of the ESOS or ESOP.

The individual should be a resident of SL and documentary evidence should be obtained prior to arranging the outward remittance.

* 1. Can we make an investment outside Sri Lanka by converting LKR or do we require FCY?

The Outward Investment scheme is specially designed for Sri Lankans to invest overseas by converting LKR into designated FCY.

Therefore, LKR should be converted into foreign currency only for the purpose of outward investments and be credited to OIA only after the fulfillment of all requirements

* 1. Can we place OIA FDs?

Yes, OID FDs can be opened and maintained out of the returns derived from an outward investment

* 1. Can we exceed the limits specified in the Direction?

No, the limit specified by the Direction cannot be exceeded.

* 1. **Capital Transaction Rupee Account (CTRA)**
  2. Has repatriation of LKR funds held in Sri Lanka by non-nationals (excluding Emigrants) through Capital Transaction Rupee Accounts (CTRAs) been restricted/suspended by the Order made under Section 22?

Yes, repatriation of eligible migration allowance limited by the Order made under Section 22 of FEA.

* 1. What is the Migration Allowance?

It is an allowance for emigrants who are aged 18 years or above to repatriate the proceeds realized from.

Any asset in Sri Lanka owned or acquired by the emigrant

Any asset in Sri Lanka inherited or received as a gift by an emigrant

Monetary gifts received from an immediate family member

* 1. Who will be eligible to open CTRA?

An emigrant resident in or outside Sri Lanka

A non- national resident in or outside SL

An individual Sri Lanka resident in or outside SL who has obtained TR

An individual Sri Lankan resident in Sri Lanka -parent migration scheme

* 1. Who is an emigrant?

A Sri Lankan national who has obtained Permanent Residency status or Citizenship in another country, or

A dual citizen of Sri Lanka whose mother or father was born in Sri Lanka, or

A non-Sri Lankan citizen whose mother or father was born in Sri Lanka and whose birth has been registered in Sri Lanka,

Including minors of above persons.

* 1. How can I sell property I own in Sri Lanka and take money abroad?

Eligible persons are required to open a Capital Transaction Rupee Account (CTRA) with an Authorized Dealer (AD) in Sri Lanka in order to repatriate the eligible migration allowance.

* 1. What are the account types that can be opened under CTRA?

Savings Accounts

Current Accounts without overdrawing facility

* 1. Can we open CTRA jointly?

No, Eligible customers can maintain only one CTRA in the banking system. Therefore, CTRA cannot be joined and  shall be maintained as sole accounts

* 1. What is the limit of initial migration allowance?

For the emigrants who are claiming the migration allowance for the first time, the limit is USD 100,000. (Maximum)

* 1. What is the maximum limit of annual migration allowance?

Eligible emigrants can remit USD 30,000 as annual allowance

* 1. Can a non-national open CTRA?

Yes, any non-nationals resident in or outside SL, are eligible for CTRA opening and maintaining

* 1. Who can be considered as an immediate family member?

Parents, grandparents, siblings and spouse of the relevant person;

* 1. **Non Resident Rupee Account (NRRA)**
  2. Who will be eligible to open NRRA?

An emigrant resident in or outside Sri Lanka  
 a firm or a company established/incorporated outside Sri Lanka

* 1. Can we issue Cheque Book against the NRRA?

No. NRR Current Accounts are not permitted for overdrawing facility

* 1. What are the permitted credits in NRRA?

1. Inward remittances received in favour of the accountholder

2. When the accountholder is an Emigrant;

* Any proceeds derived from an **asset in SL owned** by the emigrant
* Any proceeds received from an **asset in SL inherited** by the emigrant from a resident person
* Any proceeds received from an **asset in SL received as a gift by an emigrant**
* Any proceeds realized from an **asset in SL that are inherited or received by way of a gift to or by the emigrant**
* Any income derived from the **investments owned or inherited or received as a gift**
* Superannuation benefits of the account holder

3. When the account holder is a firm, or a company incorporated outside SL;

* Local income derived from a current transaction subject to documentary evidence
* Any income derived from any capital transaction undertaken in SL
* Interest earned on the funds held in the account
  1. What are the permitted debits in NRRA?

1. When the accountholder is an Emigrant;

* Payment related to the investment undertaken in SL by a person resident outside SL
* Transfers to the CTRA of the account holder
* Transfers current income to ERIA
* Transfer of funds to CTRA of the administer/executor of the estate of a deceased person

2. When the account holder is a firm, or a company incorporated outside SL

* Remittances
* Remittance/transfer of USD 30,000 per annum to IIA or FCBU or account maintained outside SL out of funds received from investments
  1. Who can be considered as an immediate family member?

Parents, grandparents, siblings and spouse of the account holder;

* 1. **External Commercial Borrowing Accounts (ECBA)**
  2. What is the purpose of opening an ECBA?

To obtain a foreign currency loan from a non-resident lender

* 1. Can an individual be eligible to open ECBA, in order to obtain a loan from a nonresident investor?

No. Only companies incorporated in Sri Lanka is authorized to open ECBA

* 1. What are the documents that should be obtained in order to open ECBA?
* Certified copy of the loan agreement including the repayment schedule (minimum 3 years)
* Profiles of the lender and borrower
* Copy of the Resolution passed by the Board of Directors of the company who is borrower for the approval on the proposed loan, certified by the company secretary.
  1. Can we allow current transactions through ECBA?

Yes, outward remittances in respect of current transactions are allowed

* 1. Can we allow capital transactions through ECBA?

Yes, only for the investments made outside Sri Lanka. ECBA holder can transfer the loan proceeds to an IIA of the same accountholder, if the loan was obtained for the purposes of financing permitted outward investment

* 1. Can we place a fixed deposit against the ECBA funds?

Yes. Fixed deposit can be opened only for the purpose of keeping it under   lien for a Sri Lankan Rupee loan to be obtained by the account holder from the Bank.

* 1. What should be the minimum tenure of a loan under ECBA?

Minimum tenure of the loan should be 3 years