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PART I : SECTION (I) — GENERAL Government Notifications

L.D. B 10/2017 (III)

FOREIGN EXCHANGE ACT, No. 12 OF 2017

Order under Section 8

BY virtue of the powers vested in me by paragraphs (a) and (b) of subsection (1) of section 8 of the Foreign Exchange Act, No. 12 of 2017, I, Mahinda Rajapaksa, Minister of Finance, do by this Order, which shall come into operation with effect from March 22, 2021 prescribe the purposes, limits, terms and conditions as specified in the Schedule hereto, subject to which a person in or resident in Sri Lanka shall-

- (a) export from Sri Lanka or import into Sri Lanka, any foreign currency or Sri Lanka currency; or
- (b) hold foreign exchange in his possession or in a bank account in Sri Lanka.

Order made under section 8 of the Foreign Exchange Act, No. 12 of 2017, published in *Gazette Extraordinary* No. 2182/33 dated July 1, 2020 is hereby revoked, without prejudice to anything done thereunder.

MAHINDA RAJAPAKSA,
Minister of Finance.

Colombo,
03rd February, 2021.



SCHEDULE

PART I

PURPOSES, LIMITS, TERMS AND CONDITIONS FOR EXPORT AND IMPORT OF FOREIGN CURRENCY OR SRI LANKA CURRENCY

1. (1) Any person departing from or arriving in Sri Lanka may carry any amount of foreign exchange in the form of currency notes, bank drafts, cheques, travel cards, etc. legitimately acquired by such person subject to a declaration made to the Department of Customs at the port of departure or arrival, respectively, if the total value of such foreign exchange exceeds USD 15,000 or its equivalent in other foreign currencies. Such person shall be required to provide documentary evidence relating to the acquisition of foreign exchange to the Department of Customs or subsequently, to the Head of the Department of Foreign Exchange of the Central Bank or to any other person who is authorised by law to seek such information, if called upon to do so.
 - (2) However, where a person arriving in Sri Lanka intends to take back unutilised foreign currency notes carried in to Sri Lanka under sub-paragraph (1) of paragraph 1 above, exceeding USD 10,000 or its equivalent in other foreign currencies or departing from Sri Lanka carries foreign currency notes exceeding USD 10,000 or its equivalent in other foreign currencies, such person is required to make a declaration to the Department of Customs in that regard.
 - (3) Where a person arriving in Sri Lanka who intends to credit foreign exchange into such person's Inward Investment Account for the purpose of investing in Sri Lanka, such foreign exchange, irrespective of the value, should be declared to the Department of Customs and the stamped declaration of the Department of Customs shall be submitted to the authorised dealer for retention in support of the credit.
2. Any person in, or resident in, Sri Lanka may-
- (a) take out of, or bring into Sri Lanka, respectively, Sri Lanka currency up to the value of Sri Lanka Rupees 20, 000; or
 - (b) export or import Sri Lanka currency for the purposes, limits, terms and conditions recommended by the Superintendent of Currency of the Central Bank subject to the permission of the Head of the Department of Foreign Exchange.
3. Any authorised dealer may export from or import in to Sri Lanka, foreign currency which has been acquired in or for the normal course of his businesses and within the terms of the authorization.

4. For the purpose of this Part -

"authorised dealer" shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017;

"Central Bank" shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017.

PART II

PURPOSES, LIMITS, TERMS AND CONDITIONS FOR HOLDING OF FOREIGN EXCHANGE IN POSSESSION

1. Holding in possession foreign exchange by a person in, or resident in, Sri Lanka

- (1) Any person in, or resident in, Sri Lanka may retain in his possession foreign currency notes up to the value of USD 15,000 or its equivalent in other foreign currencies, for any period, irrespective of the time period restrictions mentioned in paragraph 2 herein, provided that, such foreign currency represents:

- (a) foreign currency purchased by such person from an authorised dealer or a restricted dealer for travel abroad of such person and brought back as unutilized while returning to Sri Lanka; or
 - (b) foreign currency received by such person from outside Sri Lanka as a payment for a service rendered or goods supplied abroad by such person to a person resident outside Sri Lanka, or from any other legitimate source; or
 - (c) foreign currency notes withdrawn by such person from his Personal Foreign Currency Accounts or Business Foreign Currency Accounts for travel purpose.
- (2) (a) Any person may retain in his possession foreign currency accepted in respect of goods and services supplied by such person to a person resident outside Sri Lanka.
- (b) A person in, or resident in Sri Lanka carrying on a permitted business to supply goods and services under a duty-free concession to passengers arriving in or departing from Sri Lanka at a port or airport in Sri Lanka may retain foreign currency received from such passenger, whether resident or non-resident in respect of the supply of goods and services to such passenger.
- (c) A person who acquires foreign exchange under the provisions of this paragraph shall not retain foreign currency so accepted, for a period exceeding seven (7) days from the date of acceptance, without depositing into a Business Foreign Currency Account in the name of the person who accepted such foreign currency or selling to an authorised dealer, upon submitting evidence to such effect.
- (3) Any person resident outside Sri Lanka whilst in Sri Lanka may retain in his possession any amount of foreign currency if such foreign currency was legally acquired by him whilst he was in, or outside Sri Lanka or withdrawn from foreign exchange accounts maintained with authorised dealers or restricted dealers.

Provided that such person shall provide documentary evidence relating to the acquisition of foreign exchange to the Department of Customs or subsequently, to the Head of the Department of Foreign Exchange of the Central Bank or to any other person who is authorised by law to seek such information, if called upon to do so.

2. Period for retention of foreign exchange shall be:-

- (1) Any person who obtains foreign currency from an authorised dealer or a restricted dealer for a purpose mentioned in an application made by him to the authorised dealer or restricted dealer and does not use it for such purpose shall not retain such foreign currency for a period exceeding ninety (90) days from the date of receipt of such foreign currency without converting same into Sri Lanka Rupees.
- (2) (a) Any person who obtains foreign currency from an authorised dealer or a restricted dealer for a purpose mentioned in an application made by him to the authorised dealer or restricted dealer and thereafter brings back to Sri Lanka said foreign currency or part thereof, such person shall not retain such foreign currency for a period exceeding ninety (90) days from the date of repatriation without converting same into Sri Lanka Rupees.
- (b) However, a person who obtains foreign currency notes for travel purpose cumulatively up to the value of USD 15,000 or its equivalent in other foreign currencies under item (a) of sub-paragraph (1) of paragraph 1 shall be permitted to deposit the same into a Personal Foreign Currency Account that can be opened and maintained with an authorised dealer or a restricted dealer.

- (3) Any person who proceeds outside Sri Lanka for taking up employment, profession or setting up a business, earns or receives foreign currency from such employment, profession or business and brings back the same to Sri Lanka, such person shall not be entitled to retain such foreign currency for a period exceeding ninety (90) days from the date of its repatriation, without converting into Sri Lanka Rupees or crediting into a foreign exchange account that can be opened and maintained by such person in accordance with the provisions of the Foreign Exchange Act, No. 12 of 2017.

3. For the purpose of this Part –

"authorised dealer" shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017;

"restricted dealer" shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017;

"Central Bank" shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017.