

**THE GAZETTE OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

Part II of May 26, 2017

SUPPLEMENT

(Issued on 29. 05. 2017)



SPECIAL DEPOSIT ACCOUNT

A

BILL

**to provide for a Special Deposit Account for foreign nationals to remit
foreign exchange into Sri Lanka; and for matters connected therewith or
incidental thereto.**

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Special Deposit Account

L. D.—O. 54/2016

AN ACT TO PROVIDE FOR A SPECIAL DEPOSIT ACCOUNT FOR FOREIGN NATIONALS TO REMIT FOREIGN EXCHANGE INTO SRI LANKA; AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Special Deposit Account Act, No. of 2017. Short title.

5 2. (1) Subject to the provisions of any written law, a foreign national may open and maintain an account which shall be called a “Special Deposit Account” (hereinafter referred to as the “Account”) in a commercial bank in Sri Lanka in accordance with the provisions of this Act. Special Deposit Account.

10 (2) The Account shall be opened with a minimum sum of not less than United States Dollars five hundred thousand or its equivalent in such convertible foreign currency as may be specified in the Schedule hereto (hereinafter referred to as the “minimum sum”).

15 (3) The Minister may prescribe by regulation, any other convertible foreign currency by which a foreign national may operate the Account, which is not set out in the Schedule to this Act.

20 3. (1) Subject to the provisions of section 4— Facilities given to Account holders.
(a) an Account holder—
(i) who deposits and maintains a minimum sum; or

- (ii) who shows sufficient proof of any prescribed investment through the Account within Sri Lanka equivalent to the minimum sum,
- 5 shall be eligible for a resident visa in Sri Lanka for a maximum period of ten years from the date of opening the Account;
- (b)
 - 10 (i) the spouse of the Account holder shall be entitled to a resident visa in Sri Lanka if in addition to the minimum sum, an additional sum of not less than United States Dollars three hundred thousand or its equivalent is deposited into such Account;
 - 15 (ii) the spouse of the Account holder shall be entitled to a resident visa only during the validity of the Account holder's resident visa obtained under this Act;
 - (c) the minor children of such Account holder
 - 20 shall be entitled to a resident visa in Sri Lanka during the validity of the Account holder's resident visa obtained under this Act or until the age of eighteen years, whichever shall precede.
- 25 (2) An Account holder shall maintain such Account for the duration of the resident visa.
- (3) The Minister may prescribe by regulations the categories of investments that an Account holder may invest in through the Account for the purposes of this Act.
- 30 (4) An Account holder shall not be entitled to engage in any paid employment without a working visa granted for such purpose according to written law.

(5) Every Account holder shall be free from any tax or any other levies—

(a) on income or profit derived from outside Sri Lanka; and

5 (b) on interest on income accrued or capital in the Account,

under the Inland Revenue Act, No. 10 of 2006, subject to any administrative or operational levy as may be determined by the Central Bank.

10 (6) The provisions of the Exchange Control Act, No. 39 of 1973 on the limits on remittances into Sri Lanka shall not apply in respect of any Account holder under this Act.

(7) Strict confidentiality shall be maintained at all times except when required by any written law, by a court or by the
15 Central Bank.

4. (1) The provisions of the Immigrants and Emigrants Act, No. 20 of 1948 shall apply in respect of the issuing, cancelling or amending any visa granted for the purposes of this Act. Issuing, cancelling &c. of visa.

20 (2) In addition to subsection (1), a visa shall be deemed to be cancelled upon—

(a) the death of the Account holder;

(b) the Account holder being suspected of treason;

25 (c) subject to subsection (3), the failure of the Account holder to maintain the minimum sum specified under this Act;

(d) being adjudged a bankrupt;

(e) the Account holder failing to route foreign exchange utilized for investment purposes through the Account;

(f) the closure of the Account.

5 (3) Where the Account holder has failed to maintain the minimum sum as specified in section 3(1)(a), the commercial bank shall notify the Controller of Immigration and Emigration within seven days after giving the account holder a grace period not exceeding one calendar month.

10 (4) Where a visa has been cancelled on the occurrence of an event specified in subsection (2), it shall be the duty of the Account holder, to take all such action as may become necessary to comply with any direction, order or instruction as may be issued under the Immigrants and Emigrants Act,
15 No. 20 of 1948 or any direction of the Minister assigned the subject of Foreign Affairs.

5. (1) The Minister may make regulations for all matters Regulations.
which are prescribed under this Act and for which regulations are authorized to be made.

20 (2) Every regulation made by the Minister, shall be published in the *Gazette* and shall come into operation on the date of such publication or on such later date as may be specified in such regulation.

(3) Every regulation made by the Minister shall as soon
25 as convenient after its publication in the *Gazette*, be brought before Parliament for its approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder.

30 (4) A notification of the date on which any regulation shall be deemed to be rescinded, shall be published in the *Gazette*.

6. In this Act, unless the context otherwise requires— Interpretation.

“Account holder” means a foreign national who has opened an Account and maintains the Account in terms of this Act;

5 “Central Bank” means Central Bank of Sri Lanka established under the Monetary Law Act, No. 58 of 1949;

10 “commercial bank” means a licensed commercial bank within the meaning of the Banking Act, No. 30 of 1988;

“foreign national” means a natural person who is not a citizen of Sri Lanka and shall include a dual citizen of Sri Lanka;

15 “Minister” means Minister assigned the subject of Finance.

7. In the event of any inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail. Sinhala text to prevail in case of inconsistency.

SCHEDULE

[section 2(2)]

1. British Pound
2. Euro
3. Australian Dollar
4. Japanese Yen
5. Singapore Dollar
6. Canadian Dollar
7. Swiss Franc

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