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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2182/37 - 2020 ජූලි මස 02 වැනි බ්‍රහස්පතින්දා - 2020.07.02
No. 2182/37 - THURSDAY JULY 02, 2020

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

FOREIGN EXCHANGE ACT, No. 12 of 2017

Order under Section 22

BY virtue of the powers vested in me under Section 22 of the Foreign Exchange Act, No. 12 of 2017 (the Act), I, Mahinda Rajapaksa, Minister of Finance, Economic and Policy Development do by this Order.

- (i) suspend making payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission granted in the Schedule I of the Foreign Exchange (Capital Transactions in Foreign Exchange carried on by Authorized Dealers) Regulations No. 1 of 2017 published in the *Extraordinary Gazette* Notifications No. 2045/56 dated 17.11.2017, excluding :
 - (a) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act, or
 - (b) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the Act or repealed Exchange Control Act, in a company or a branch office in that country, or
 - (c) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the Act or repealed Exchange Control Act, up to a maximum of USD 20,000, for the purpose of working capital requirements of the investee, or



- (d) the remittances up to a maximum of USD 20,000 for the purpose of maintenance of liaison, marketing, agency, project, representative or any other similar offices already established in overseas subject to the provisions of the Act or repealed Exchange Control Act, by eligible resident companies,

provided that, the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement.

- (ii) suspend any outward remittances through Business Foreign Currency Accounts or Personal Foreign Currency Accounts held by persons resident in Sri Lanka, other than outward remittances on permitted current transactions up to any amount or outward remittances on capital transactions up to a maximum of USD 20,000 during the effective period of this Order ;
- (iii) limit the repatriation of funds under the migration allowance through Capital Transactions Rupee Accounts by the emigrants who have already claimed migration allowance under the general permission stated in the Schedule IV of the Foreign Exchange (Capital Transactions in Foreign Exchange carried on by Authorized Dealers) Regulations No. 1 of 2017 published in the *Extraordinary Gazette* Notifications No. 2045/56 dated 17.11.2017, up to a maximum of USD 20,000 during the effective period of this Order ;
- (iv) limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time up to a maximum of USD 30,000 ;
- (v) the Monetary Board shall have the authority to grant permission in terms of the Section 7(10) of the Foreign Exchange Act for the investments on case by case basis which exceeds the limits specified in the general permission granted in the Schedule I of the Foreign Exchange (Capital Transaction in Foreign Exchange carried on by Authorized Dealers) Regulations No. 1 of 2017 published in the *Extraordinary Gazette* Notifications No. 2045/56 dated 17.11.2017 provided that,
- (a) the proposed investment is to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act, or
- (b) the proposed investment is to be made to fulfill the regulatory requirement in the investee's country applicable on the investment already made in a company or branch office in that country in compliance with the provisions of the Act or repealed Exchange Control Act.

This Order is valid for a period of six months from the date of this Order.

MAHINDA RAJAPAKSA,
Minister of Finance, Economic and Policy Development.

Colombo,
02nd July, 2020.

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