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PART I : SECTION (I) — GENERAL

Central Bank of Sri Lanka Notices

NOTICE UNDER THE EXCHANGE CONTROL ACT (CHAPTER 423 OF THE CLE)

Permission in terms of Sections 5, 6 and 6A of the Exchange Control Act

IN exercise of powers conferred by Sections 5, 6 and 6A of the Exchange Control Act read with Sections 3 and 48 of the said Act, permission is hereby granted to possess and retain foreign exchange as specified below.

1. Possession and retention of foreign exchange –

1.1 The following persons resident in Sri Lanka are permitted to possess and retain foreign currency subject to the provisions of paragraph 2 below.

- (a) An Authorized Dealer may possess and retain foreign exchange acquired in the normal course of business and within the terms of his authorization.
- (b) An authorized person may possess and retain foreign currency received or acquired in the normal course of business and within the terms of his authorization.
- (c) An individual may retain in his possession foreign currency in the form of currency notes, and/or travellers' cheques, the aggregate value of which does not exceed US\$ 10,000 or its equivalent in other foreign currencies, provided that such foreign currency represents -
 - (i) foreign currency purchased by him from an Authorized Dealer or an authorized person for travel abroad and brought back unutilized while returning to Sri Lanka ; or
 - (ii) foreign currency received by him outside Sri Lanka as remuneration for services rendered by him to a person resident outside Sri Lanka ; or
 - (iii) foreign currency notes withdrawn by the holders of Non Resident Foreign Currency Accounts (NRFC), Resident Foreign Currency Accounts (RFC), Resident Non-Nationals' Foreign Currency Accounts (RNNFC) and Foreign Exchange Earners' Accounts (FEEA) from their respective accounts.



(d) An individual 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 or a person resident in Sri Lanka carrying on a permitted business to supply goods and services under duty free concessions to passengers arriving in or departing from Sri Lanka at ports in Sri Lanka irrespective of the residential status of the passenger to whom such goods and services are provided.

1.2 An individual resident outside Sri Lanka may in Sri Lanka retain in his possession without limit foreign currency if such foreign currency was acquired by him whilst he was outside Sri Lanka or from foreign currency accounts maintained with Authorized Dealers/authorized persons.

2. Period for retention of foreign exchange by a person resident in Sri Lanka

2.1 An individual who obtains foreign currency from an Authorized Dealer or authorized person for a purpose mentioned in an application made by him to the Authorized Dealer or authorized person and does not use it for such purpose shall not retain such foreign currency for a period exceeding 90 days from the date of receipt of such foreign currency without converting into Sri Lanka Rupees.

2.2 An individual who obtains foreign currency from an Authorized Dealer or authorized person for a purpose mentioned in an application made by him to the Authorized Dealer or authorized person thereafter brings back to Sri Lanka said foreign currency or part thereof, such person shall not retain such foreign currency for a period exceeding 90 days from the date of repatriation without converting into Sri Lanka Rupees.

2.3 An individual who proceeds outside Sri Lanka for taking up employment, professional work or setting up a business, earns or receives foreign currency from such employment, profession or business and brings back to Sri Lanka, such person shall not be entitled to retain such foreign currency for a period exceeding 90 days from the date of its repatriation without converting into Sri Lanka Rupees or crediting into a foreign currency account opened and/or maintained by such person in accordance with Directions issued to Authorized Dealers under the Exchange Control Act for opening and maintaining of foreign currency accounts.

2.4 An individual who accepts payments in foreign currency in respect of goods and services supplied by such person to a resident outside Sri Lanka, such person shall not retain such foreign currency for a period exceeding 7 days from the date of accepting, without depositing in a FEEA in the name of the person who accepted such foreign currency or selling to a Licensed Commercial Bank.

2.5 Time period referred to in paragraphs 2.2 and 2.3 above do not apply to an individual resident in Sri Lanka who retains foreign currency in his possession in accordance with sub-paragraph (c) of paragraph 1.1 of this notice.

3. Interpretation for purposes of this notification.

3.1 In this notice, unless the context otherwise requires -

(a) “**Authorized Dealer**” shall mean, a commercial bank for the time being authorized under Section 4 of the Exchange Control Act for the purposes of the Act as an Authorized Dealer in relation to gold or any foreign currency ;

(b) “**authorized person**” shall mean, any person other than an Authorized Dealer for the time being authorized by the Central Bank under Section 5 of the Exchange Control Act ;

(c) “**foreign currency**” shall have the same meaning as given in the Exchange Control Act ;

- (d) “**currency**” shall have the same meaning as given in the Exchange Control Act ;
- (e) “**foreign exchange**” shall have the same meaning as given in the Exchange Control Act ;
- (f) “**person resident in Sri Lanka**” or a “**person resident outside Sri Lanka**” shall have the same meaning as given in the Direction issued by the Minister of Finance under Section 37(1) of the Exchange Control Act and published in the *Government Gazette* No. 15,007 dated 21st April 1972.
4. The notice published in the *Government Gazette* (Extraordinary) No. 1516/19 dated 25th September 2007 is hereby rescinded.

T. M. J. Y. P. FERNANDO,
Controller of Exchange.

Central Bank of Sri Lanka,
Colombo,
20th January, 2016.

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