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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Press Release

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Further Relaxation of Foreign Exchange Transactions

In keeping with the announcement made by the Central Bank of Sri Lanka in its “Road Map for 2010 and Beyond”, the following measures will be implemented with effect from 11th March 2010, in relation to foreign exchange transactions:

1. The following categories of resident Sri Lankans will be permitted to open and maintain bank accounts abroad:
 - Persons earning foreign exchange from investments abroad as approved by the Central Bank,
 - Persons engaged in providing international professional services in Sri Lanka or abroad,
 - Persons engaged in any occupation abroad,
 - Persons who have proceeded outside Sri Lanka for education and/or for medical treatment, and
 - Exporters of goods.
2. Forward contracts in foreign currency to cover foreign exchange transactions related to trade in goods and services, remittances and approved foreign lending and borrowings, will be permitted.
3. The present 100% margin deposit requirement against advance payments on the invoice value of selected items to be imported, will be removed.
4. The suspension on the pre-payment of import bills will be lifted.

5. The existing different investment accounts, namely Share Investment External Rupee Accounts (SIERA), Treasury Bond Investment External Rupee Accounts (TIERA), Treasury Bill Investment External Rupee Accounts (TIERA-2), and Treasury Bill/Bond Investment External Rupee Accounts - Deshabhimani (TIERA -D) maintained by non-residents in commercial banks will be permitted to be unified. The unified account will be renamed as Securities Investment Account (SIA).

The Central Bank is of the view that the relaxation of the above specific exchange controls would contribute to further improve investor confidence and stabilize the foreign exchange market, thereby paving the way to further integrate the Sri Lankan economy with the global economy.