



**DEPARTMENT OF FOREIGN EXCHANGE  
CENTRAL BANK OF SRI LANKA**

**DIRECTIONS No. 08 OF 2017 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017**

**Directions issued to Authorized Dealers on Capital Transactions Rupee Accounts (CTRAs)**

In terms of the Foreign Exchange (Opening and Maintenance of Foreign Exchange Accounts for the purpose of engaging in Capital Transactions) Regulations No. 02 of 2017 (the regulations) and Sections 9 (1) and 9 (2) of the Foreign Exchange Act, No.12 of 2017 (the Act), read with Sections 6 and 7 of the Act, Authorized Dealers are permitted to open and maintain CTRAs subject to the following.

**1.1 Eligible Persons**

Eligible persons shall be following in terms of the regulations;

- i. An individual Sri Lankan, permanently residing outside Sri Lanka
- ii. A Sri Lankan dual-citizen
- iii. A foreign national of Sri Lankan origin
- iv. A Non National resident outside Sri Lanka
- v. A Sri Lankan National resident outside Sri Lanka
- vi. Firms and Companies registered outside Sri Lanka

**1.2 Opening and Maintaining the Accounts**

In terms of the authority granted to the Central Bank of Sri Lanka by the regulations, the following shall be considered when opening and maintaining CTRAs, in addition to those specified in the regulations.

- (a) CTRAs can be opened and maintained in the form of current (without cheque drawing facility), savings or term deposit accounts in Sri Lanka Rupees in the Domestic Banking Unit.
- (b) An individual, who is an eligible person referred to in item (i-iv) of Paragraph 1.1 above, shall open and maintain only one CTRA for the purpose of outward remittances.
- (c) CTRAs may be held jointly with another eligible person.
- (d) A minor, who is an eligible person referred to in item (i-iv) of Paragraph 1.1 above, may open CTRAs.



**DEPARTMENT OF FOREIGN EXCHANGE  
CENTRAL BANK OF SRI LANKA**

**DIRECTIONS No. 08 OF 2017 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017**

**1.3 Permitted Credits**

In terms of the authority granted to the Central Bank of Sri Lanka by the regulations, the following credits are permitted in addition to the credits specified in the regulations.

- (a) Local credits other than funds derived from capital transactions.
- (b) Where the account holder is an eligible person referred to in item (i-iii) of Paragraph 1.1 above, superannuation benefits, interest, dividends, pensions, rent, lease rentals and profits or any other approved pension or retirement funds etc.
- (c) Where the account holder is an eligible person referred to in item (iv) of Paragraph 1.1 above, sale proceeds of local assets including inherited movable or immovable property.
- (d) Where the account holder is an eligible person referred to in item (v) of Paragraph 1.1 above, proceeds of foreign currency or Sri Lanka Rupee loans and advances obtained by the account holder in terms of the provisions of the Act for the purpose of local disbursements.

**1.4 Permitted Debits**

In terms of the authority granted to the Central Bank of Sri Lanka by the regulations, the following debits are permitted in addition to the debits specified in the regulations.

- (a) Any outward remittance in respect of current transactions.
- (b) Transfer of eligible migration allowance to an account maintained outside Sri Lanka by the eligible persons referred to in items (i-iii) of Paragraph 1.1 above.
- (c) Where the account holder is an eligible person referred to in item (vi) of Paragraph 1.1 above, transfer of accumulated funds derived in Sri Lanka with respect to an underlying current transaction upon verification of agreements, invoices, statements etc. and satisfying bona-fide of such request by the Authorized Dealer.



**DEPARTMENT OF FOREIGN EXCHANGE  
CENTRAL BANK OF SRI LANKA**

**DIRECTIONS No. 08 OF 2017 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017**

**1.5 Procedure for Opening a CTRA for Capital Fund Transfers**

**1.5.1 Procedure for opening a CTRA for the purpose of transferring migration allowance**

- (a) Authorized Dealers shall obtain approval of the Director-Department of Foreign Exchange when opening a CTRA for an eligible person referred to in item (i-iii) of Paragraph 1.1 above, upon submission of following scanned documents through [dfe@cbsl.lk](mailto:dfe@cbsl.lk):
- i. A completed form of Annex I
  - ii. A copy of the current passport
  - iii. A copy of the Sri Lankan passport including endorsements of initial departure, landing and identification page (as applicable)
  - iv. A copy of the Permanent Residency (PR) endorsement or other document to prove PR date and country (as applicable)
- (b) Authorized Dealers shall open a CTRA upon receipt of a registration number issued by the Director-Department of Foreign Exchange and release foreign exchange to the eligible persons, being the initial and subsequent capital fund transfers, as applicable through the same CTRA subject to the following:
- i. An initial migration allowance up to United States Dollars (USD) 200,000 and annual migration allowance of USD 30,000 per individual, provided that such individual holds a valid Sri Lankan passport at the time of obtaining the PR of another country.
  - ii. The first such annual migration allowance of USD 30,000 is transferable after lapse of 12 months from the full utilization of the initial migration allowance of USD 200,000.
  - iii. With the exception of the initial migration allowance, subsequent migration allowances shall be transferable per calendar year.
  - iv. In the event an emigrant has not transferred the annual migration allowance of a previous year, it can be transferred in accumulation.



**DEPARTMENT OF FOREIGN EXCHANGE  
CENTRAL BANK OF SRI LANKA**

**DIRECTIONS No. 08 OF 2017 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017**

- v. At the time of leaving Sri Lanka for the first time on PR the eligible person may obtain USD 10,000 out of the eligible migration allowance in the form of currency notes.
- vi. Authorized Dealers shall duly endorse the Sri Lankan passport on which the original PR is stamped, of an eligible person referred to in items (i-iii) of Paragraph 1.1 above, providing date, amount of foreign exchange, CTRA registration number, country of migration upon sale of foreign exchange.

**1.5.2 Procedure for opening a CTRA for the purpose of transferring capital funds**

- (a) Authorized Dealers shall obtain approval of the Director-Department of Foreign Exchange when opening a CTRA for an eligible person referred to in item (iv) of Paragraph 1.1 above, upon submission of following scanned documents through [dfc@cbsl.lk](mailto:dfc@cbsl.lk):
  - i. A completed form of Annex 1
  - ii. A copy of the current passport
- (b) Authorized Dealers shall open a CTRA upon receipt of a registration number issued by the Director-Department of Foreign Exchange and may release foreign exchange up to USD 30,000 per annum out of sale proceeds derived from inherited assets in Sri Lanka.

**2. Other Requirements**

- (a) The account number assigned to the CTRA in respect of eligible persons referred to in items (i-iv) of Paragraph 1.1 above, shall be informed to this department immediately after it is assigned.
- (b) CTRAs opened in respect of eligible persons referred to in items (i-iv) of Paragraph 1.1 above, shall not be closed without obtaining the prior approval of the Director-Department of Foreign Exchange.
- (c) As soon as Authorized Dealer becomes aware or has reasons to believe that the holder or joint holder of any Sri Lanka Rupee account, is a Sri Lankan National resident outside Sri Lanka, such account shall be re-designated as a “Capital Transactions Rupee Account” and informed to the account holder appropriately.



**DEPARTMENT OF FOREIGN EXCHANGE  
CENTRAL BANK OF SRI LANKA**

**DIRECTIONS No. 08 OF 2017 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017**

- (d) Authorized Dealer shall have a mechanism in place to identify the individual from the registration number issued by this department as well as the CTRA number.
- (e) Documentary evidence regarding each transfer shall be obtained from the person and such records shall be maintained (either in hard copy or electronic/digital form) by the Authorized Dealer. The period of maintaining records pertaining to transfers under these directions shall not be limited by statutory record keeping requirement. Authorized Dealer shall refer to Annex 2 or Annex 3 (where applicable), on documents to be obtained in opening a CTRA for eligible persons referred to in items (i-iv) of Paragraph 1.1 above.

**3. Monthly Returns**

The Authorized Dealers shall furnish monthly statements on sale of foreign exchange to emigrants under these Directions to the Director-Department of Foreign Exchange as per the Annex 4 on or before 15<sup>th</sup> day of following month by email to [dfem@cbsl.lk](mailto:dfem@cbsl.lk).

**4. For the purposes of these Directions**

- (a) **“Migration allowance”** shall include receipts of the proceeds of movable and immovable property and tangible and intangible assets owned by the emigrant and gifts received by the emigrant from the spouse and parents. Assets may include the value of precious stones, precious metals, personal jewellery and other assets held in Sri Lanka including estates inherited as beneficiaries.
- (b) **“Emigrant”** shall refer to a person who leaves their own country in order to settle permanently in another.
- (c) **“Sri Lankan”** shall refer to a citizen of Sri Lanka.
- (d) **“A Sri Lankan National resident outside Sri Lanka”** shall refer to a citizen of Sri Lanka who has proceeded outside Sri Lanka to take up employment or to set up in business or to engage in a profession.

A handwritten signature in black ink, appearing to be 'J. M. Jayasinghe'.

**Director-Department of Foreign Exchange**

**20 November 2017**



DEPARTMENT OF FOREIGN EXCHANGE  
CENTRAL BANK OF SRI LANKA

DIRECTIONS No. 08 OF 2017 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017

Annex 1 to the Directions No. 08 of 2017

Foreign Exchange Release Request

Request to a Open Capital Transactions Rupee Account (CTRA)

**1). Details of CTRA Holder**

- a). Full Name\* : .....
- b). NIC No. : .....
- c). Current Passport\* : .....
- d). Sri Lankan Passport No. (if any) : .....
- e). Date of Birth : .....
- f). Date of Obtaining PR : .....
- g). Country of PR/Citizenship\* : .....
- h). Foreign Exchange Amount to be Released\* : .....

**2). Details of the Authorized Dealer \***

- a). Name : .....
- b). Branch : .....
- c). Branch Address : .....
- d). Email : .....
- e). Name of the Requesting Officer : .....
- f). Designation : .....
- g). Contact No : .....
- h). Date : .....

**Note:** 1. \* Authorized Dealers shall submit the relevant information for eligible persons referred to in item (iv) of Paragraph 1.1 above.

2. Authorized Dealers are requested to submit accurate and complete information as required above.



**DEPARTMENT OF FOREIGN EXCHANGE  
CENTRAL BANK OF SRI LANKA**

**DIRECTIONS No. 08 OF 2017 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017**

**Annex 2 to the Directions No. 08 of 2017**

**Documents to be obtained in releasing the migration allowance in respect of items (i-iii) of**

**Paragraph 1.1 eligible persons**

In issuing the migration allowance, the following information/documentation shall be obtained by the Authorized Dealer:

- i. A formal request from emigrant (Authorized Dealers are advised to maintain a format).
- ii. Documents to prove the PR, Citizenship (if any) and Dual Citizenship (if any).
- iii. Valid documents to prove the sources of funds (Gifts from applicant's parents or spouse can be accepted as sources of funds provided that the applicant submits the consent letter signed by the grantor along with the certified copies of birth certificate or marriage certificate, as applicable).
- iv. A tax clearance certificate from the Commissioner General of Inland Revenue Department of Sri Lanka for the amount to be remitted.
- v. An affidavit duly stamped and attested by a Justice of Peace/ Commissioner of Oaths/ solicitor, declaring that no transfers has been made or will be made in excess of the initial allowance of USD 200,000 and the annual allowance of USD 30,000 as applicable. If any migration allowance has been availed prior to the date of declaration, it should be declared.
- vi. Copies of all pages of the emigrant's Sri Lankan passports which were used at the time of obtaining PR and subsequently held to date.
- vii. A copy of air ticket.
- viii. A copy of emigrant's power of attorney (where applicable).
- ix. A duly filled Form 3 (Annex 5).
- x. Other than above, Authorized Dealers may obtain any document in order to adhere to their internal procedures.



**DEPARTMENT OF FOREIGN EXCHANGE  
CENTRAL BANK OF SRI LANKA**

**DIRECTIONS No. 08 OF 2017 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017**

**Annex 3 to the Directions No. 08 of 2017**

**Documents to be obtained in releasing the capital funds in respect of persons stated in item (iv) of Paragraph 1.1**

In issuing the foreign exchange for the capital funds derived from inherited sale proceeds in Sri Lanka, the following information/documentation shall be obtained by the Authorized Dealer:

- i. A formal request from the applicant (Authorized Dealers are advised to maintain a format).
- ii. A copy of the current passport of the applicant.
- iii. Valid documents to prove the sources of funds.
- iv. A tax clearance certificate from the Commissioner General of Inland Revenue Department of Sri Lanka for the amount to be remitted, if required.
- v. Other than the above Authorized Dealers may obtain any documents to adhere to their internal procedures.



**Monthly Statement of Capital Transactions Rupee Accounts (CTRA)**

**Annex 4 to the Directions No. 08 of 2017**

Name of the Bank:.....

Reporting Month & Year: .....

Account holder's Details						Account Details			Capital Transfers				
Name in Full	Passport No.	NIC	Date of PR	Country of PR / Nationality	No. of CTRA Accounts	CTRA Reg. No.	Account No.	Currency Type	Date Of the Transaction	PFCA	IIA	Foreign Account Outside Sri Lanka	Total Amount

We certify that the above information extracted/generated from the books of accounts of the bank as accurate.

Name of the Authorized Officer:.....

Name of the Compliance Officer :.....

Signature:.....

Signature :.....

Date:.....

Date:.....

**Annex 5 to the Direction No. 08 of 2017**

AD	Branch	Serial No.
<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

**CENTRAL BANK OF SRI LANKA**  
**Information on Release of Foreign Exchange**  
**Form 3- Sales of Foreign Exchange to Emigrants**

<p><b>To: Authorized Dealer</b></p> <p><b>To be filled by the applicant for foreign exchange.</b></p> <p>Name in full:.....  (In Block Letters) .....</p> <p>Present Address:.....  (In Block Letters) .....</p> <p>Address Abroad:.....</p> <p>Nationality.: .....</p> <p>NIC&amp;Passport No.: .....</p> <p>Proposed Date of Departure:.....</p> <p>Destination:.....</p> <p>Purpose of Purchase/Remittance: .....</p> <p>Foreign Exchange Applied for:</p> <p>    Telegraphic Transfer:.....</p> <p>    Drafts: .....</p> <p>    Currency Notes: .....</p> <p>    Other (Specify):.....</p> <p>I declare that I am leaving/have left Sri Lanka to reside permanently in the country of destination stated above and documents submitted herewith are true and correct to the best of my knowledge and belief. I also declare that I have not made any application to any Authorized Dealer for same purpose.</p> <p>Date:.....  DD.MM.YY                      <i>Signature of Applicant</i></p>	<p><b>To: Director-Department of Foreign Exchange</b></p> <p><b>To be filled by the AD authorized to issue foreign exchange.</b></p> <p>Bank Code: .....</p> <p>Branch Code: .....</p> <p>Country Code: .....</p> <p>Purpose Code: .....</p> <p>Currency Code: .....</p> <p>Foreign Exchange released:</p> <p>    Telegraphic Transfer:.....</p> <p>    Drafts: .....</p> <p>    Currency Notes: .....</p> <p>    Other (specify): .....</p> <p>    Bank Reference No.: .....</p> <p>I have examined the relevant document and satisfied with the bona-fide of the request and confirm the sale of foreign exchange for the purpose given by the applicant</p> <p>Date:.....  DD.M M.YY                      <i>Signature and seal of Authorized Dealer</i></p>
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