



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

DIRECTIONS No. 07 OF 2021 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017

Directions issued to Authorized Dealers on Senior Foreign Nationals' - Special Accounts

In terms of the Foreign Exchange (Opening and Maintenance of Accounts for the purpose of engaging in Foreign Exchange Transactions) Regulations No. 05 of 2021 and Section 9 of the Foreign Exchange Act, No. 12 of 2017 (the FEA) read with Sections 6 and 7 of the FEA, Authorized Dealers (ADs) are permitted to open and maintain following accounts in favour of senior foreign nationals who are over 55 years of age and wish to a prolonged stay in Sri Lanka on resident visas under “**Sri Lanka – My Dream Home programme**” implemented by the Department of Immigration and Emigration (Implementing Agency) in their domestic banking units, subject to the following.

2. Types of Accounts

- (a) Senior Foreign Nationals' Fixed Deposit Accounts – Foreign Currency (**SFNFDAs**)
- (b) Senior Foreign Nationals' Rupee Accounts (**SFNRA**s)

3. Opening and Maintaining the Accounts

- (a) SFNFDAs shall be opened as a fixed deposit account with a minimum initial deposit of USD 15,000 or its equivalent in any other foreign currency. This minimum deposit shall be maintained as long as the applicant stays in Sri Lanka under the resident visas.
- (b) SFNRAs may be opened and maintained as a current account in Sri Lanka Rupees with monthly remittances of USD 1,500 or its equivalent in any other foreign currency for the principal applicant and USD 750 or its equivalent in any other foreign currency for each accompanying spouse or dependent child for their upkeep in Sri Lanka.



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4. Senior Foreign Nationals' Fixed Deposit Accounts (SFNFDAs)

4.1 Permitted Credits

- (a) Minimum initial deposit of USD 15,000 or its equivalent in any other foreign currency brought into the country by the applicant in either of following mechanisms:
- i. remittances in foreign exchange received from outside Sri Lanka through the banking system in favour of the account holder; or
 - ii. foreign exchange brought into Sri Lanka by the account holder upon declaration, for upkeep in Sri Lanka; or
 - iii. transfers from Inward Investment Accounts or accounts maintained in the Offshore Banking Unit of the same account holder.
- (b) interest earned in foreign currency on the funds held in the account.

4.2 Permitted Debits

- (a) withdrawals from SFNFDAAs shall only be permitted at the time that the account holder decides to terminate his stay in Sri Lanka, upon obtaining documentary evidence to ensure such departure. Funds may be released as follows:
- i. remittances of funds to an account maintained outside Sri Lanka in the name of the account holder or to a designated third party.
 - ii. withdrawals in foreign currency notes up to USD 10,000.
- (b) transfer of interest earned on SFNFDAAs to the SFNRA of the account holder.

5 Senior Foreign Nationals' Rupee Accounts (SFNRAs)

5.1 Permitted Credits

- (a) remittances in foreign exchange received from outside Sri Lanka through the banking system in favour of the account holder or foreign exchange brought into Sri Lanka by the account holder for upkeep in Sri Lanka as required in Paragraph 3 (b) above.
- (b) interest paid on the funds in the SFNFDA of the account holder as per Paragraph 4.2 (b), converted into Sri Lanka Rupees.



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5.2 Permitted Debits

- (a) disbursements in Sri Lanka in Sri Lanka Rupees of the account holder or his dependents residing in Sri Lanka.
- (b) remittances for payments in respect of current transactions of the account holder or his dependents residing in Sri Lanka.

6. Monthly Returns

- (a) ADs shall submit reports as per the **Annex I** and **Annex II** on a monthly basis to this department on or before the 15th day of the following month by email to **dfem@cbsl.lk**.
- (b) ADs are required to implement a system within the bank in order to generate or extract the relevant information from the books of accounts of their respective banks, as per the above reporting requirement.

7. Persons eligible to open special accounts under these Directions shall only maintain one SFNFDA and SFNRA in the banking system and such accounts may be held as joint accounts with the accompanying dependents.

8. ADs shall require prior permission of the Director-Department of Foreign Exchange with the concurrence of the Implementing Agency of the scheme, for any transaction/transfer to/from SFNFDAs or SFNRAs for any purpose which falls outside the purview of these Directions.

9. For the purpose of these Directions

- (a) **“Remittances”** shall include telegraphic transfers, other interbank transfers, bank drafts, other payment instruments, payments received via other internationally accepted payment mechanisms or platforms and funds received from exchange companies/houses in foreign currency from abroad, other than currency notes;
- (b) **“Declaration”** shall refer to the declaration to the Department of Customs where foreign exchange exceeds USD 15,000 or its equivalent in other foreign currencies or an appropriate declaration to an AD where such foreign exchange is less than or equals USD 15,000 or its equivalent in other foreign currencies;



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(c) “**Current transactions**” shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017.

10. Directions No. 07 of 2017 dated 20 November 2017 issued to ADs specifying requirements related to on operating of SFNFDA and SFNRA are hereby rescinded.
11. The revocation of previous Directions referred to in Paragraph 10. above shall not affect any rights accrued on or penalties or liabilities incurred, under them prior to the revocation.
12. Nothing permitted by these Directions shall be construed as exempting, absolving or preventing ADs or any person dealing in foreign exchange under these Directions, from the requirement to comply with the provisions of any other law.
13. These Directions shall come into operation with effect from **22 March 2021**.

**Director-Department of Foreign Exchange
18 March 2021**

Monthly Statement of Senior Foreign Nationals' Fixed Deposit Account (SFNFDA)

Name of the Bank:

Reporting Month & Year:

In USD

Name of the Account Holder	Account Number	Currency	Initial Deposit		Outward Remittances	Withdrawals at the Time of Departure	Interest earned	Interest transferred to SFNRA	Other	Closing Balance
			Date	Amount						

Authorized Dealers are required to furnish both scanned copy of the report and the MS Excel version of the same as above

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

Name & Designation of the Authorized Officer:

Name of the Compliance Officer:

Signature & Seal:

Signature:

Date:

Date:

Monthly Statement of Senior Foreign Nationals' Rupee Account (SFNRA)

Name of the Bank:
 Reporting Month & Year:

In LKR

Name of the Account Holder	Account Number	Currency	Opening Balance at the beginning of the month	Credits			Debits			Closing Balance
				Inward Remittances/ Deposits	Transfer of Funds/ Interest from SFNFDA	Other	Payments for Current Transaction	Local Disbursements	Other	

Authorized Dealers are required to furnish both scanned copy of the report and the MS Excel version of the same as above

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

Name & Designation of the Authorized Officer:

Name of the Compliance Officer:

Signature & Seal

Signature:

Date:

Date: