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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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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, Ranil Wickremesinghe, Minister of Finance, Economic Stabilization and National Policies, do by this Order,

- i. Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time under the general permission granted in Part I of the Schedule of the Regulations No. 3 of 2021 published in the *Extraordinary Gazette Notifications* No. 2213/36 dated 03 February 2021 (herein after referred to as “Regulations No. 3 of 2021”), up to a maximum of USD 50,000 or equivalent in any other designated foreign currency;
- ii. 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 Regulations No. 3 of 2021, by the date of this Order, up to a maximum of USD 20,000 or equivalent in any other designated foreign currency;
- iii. Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa of another country, up to a maximum of USD 20,000 or equivalent in any other designated foreign currency per person, under the general permission granted in Regulations No. 3 of 2021;



- iv. Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of USD 10,000 or equivalent in any other designated foreign currency per person, under the general permission granted in the Schedule of the Regulations No. 4 of 2021 published in the *Extraordinary Gazette* Notifications No. 2213/37 dated 03 February 2021;
- v. Suspend making payments through Outward Investment Accounts for the purpose of making investments overseas by persons resident in Sri Lanka under the general permission granted in the Schedule of the Regulations No. 1 of 2021 published in the *Extraordinary Gazette* Notifications No. 2213/34 dated 03 February 2021, (herein after referred to as “Regulations No. 1 of 2021”) 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 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 overseas incorporated/ registered subject to the provisions of the Act or repealed Exchange Control Act, up to a maximum of USD 30,000 or equivalent in any other designated foreign currency, for the purpose of working capital requirements of the investee, or
 - (d) remittances for the purpose of maintenance of liaison, marketing, agency, project, representative or any other similar offices already established overseas subject to the provisions of the Act or repealed Exchange Control Act, by eligible resident companies, up to a maximum of USD 30,000 or equivalent in any other designated foreign currency, or
 - (e) investments by following eligible investors in the ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business overseas:
 - i. Companies listed in the Colombo Stock Exchange (CSE) - up to a limit of USD 200,000 or equivalent in any other designated foreign currency, or
 - ii. Companies that are not listed in CSE - up to a limit of USD 100,000 or equivalent in any other designated foreign currency.
 - (f) investments by companies incorporated in Sri Lanka to set up overseas offices, up to a limit of USD 100,000 or equivalent in any other designated foreign currency, or
 - (g) investment in shares of an Employee Share Ownership Plan or Employee Share Option Scheme, by an eligible resident individual;

provided that the Head of Department of Foreign Exchange of Central Bank of Sri Lanka is satisfied with the fulfillment of such requirement.

- vi. Limit the outward remittances on capital transactions through Business Foreign Currency Accounts held by a person resident in Sri Lanka, for the purpose of expanding their core business overseas, up to a maximum of USD 100,000 or equivalent in any other designated foreign currency;
- vii. Limit the outward remittances on capital transactions through Personal Foreign Currency Accounts held by a person resident in Sri Lanka, up to a maximum of USD 20,000 or equivalent in any other designated foreign currency;

- viii. The Central Bank of Sri Lanka shall have the authority to grant permission on case-by-case basis, in terms of Section 7(10) of the Act, for the investments which exceed the limits specified in the general permission granted in Regulations No. 1 of 2021 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 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.
2. For the purpose of this Order "core business" means a business activity of a company which can be considered as the main source of company's revenue, as confirmed by the auditor of the company.
3. Emigrants who have already claimed migration allowance under paragraphs (i) and (ii) of the Order published in the *Extraordinary Gazette* Notifications No. 2338/40 dated 28 June 2023, shall not be permitted again to claim migration allowance under this Order.
4. Any person who has already made outward remittances under paragraphs (iii) and (iv) of the Order published in the *Extraordinary Gazette* Notifications No. 2338/40 dated 28 June 2023, shall not be permitted again to make outward remittances under this Order.
5. Any eligible resident investor who has already made outward remittances under paragraphs (v), (vi) and (vii) of the Order published in the *Extraordinary Gazette* Notifications No. 2338/40 dated 28 June 2023 shall be permitted to make outward remittances under this Order, provided that the cumulative sum of such outward remittances under both aforesaid Order and this Order does not exceed the maximum limits specified in the aforesaid Order.
6. This Order is valid for a period of six months from the date of this Order. The Order published in the *Extraordinary Gazette* Notifications No. 2338/40 dated 28 June 2023 is hereby rescinded without prejudice to the paragraph 5 above.

RANIL WICKREMESINGHE,
Minister of Finance, Economic
Stabilization and National Policies.

Colombo,
December 19, 2023.

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