



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

DIRECTIONS No. 22 OF 2021 UNDER FOREIGN EXCHANGE ACT, No.12 of 2017

Directions issued to Hotels registered with the Sri Lanka Tourism Development Authority (SLTDA)

In terms of the Order issued under Paragraph (c) of subsection (2) of Section 4 of the Foreign Exchange Act, No. 12 of 2017 (the FEA) as published in the **Gazette (Extraordinary) Notification No. 2220/69 dated 26.03.2021** (the Order) and Section 9 (4) of the FEA, permission is hereby granted to hotels who have been registered with SLTDA for the purpose of accepting foreign currency from persons resident in Sri Lanka in respect of services rendered to such persons, subject to the following.

2. Foreign currency so accepted by the hotels, shall not be retained in possession, for a period exceeding seven (7) days from the date of the acceptance and require to;
 - (a) deposit into a Business Foreign Currency Account opened and maintained with an authorized dealer or restricted dealer in the name of the hotel; or
 - (b) sell to an authorized dealer, upon submitting evidence to such effect.

3. Other Conditions

- 3.1. The amount of foreign currency accepted shall be limited to the value of the services rendered by the hotel and subject to valid receipts issued for such acceptance.
- 3.2. Any balance due to the visitors to the hotel being persons resident in Sri Lanka shall be paid in Sri Lanka Rupees.
- 3.3. Acceptance of foreign currency shall be at the prevailing exchange rates offered by the authorized dealers.
- 3.4. All transactions related to acceptance of foreign currency notes shall be recorded in a separate register along with related documentary evidence to establish the *bona-fide* of the underlying transaction and shall be retained within the hotel premises enabling inspections of the Central Bank of Sri Lanka (CBSL), as may be required.
- 3.5. In terms of the Section 5.1 of the Prevention of Money Laundering Act No. 5 of 2006, you are required to inform to the Financial Intelligence Unit (FIU) of CBSL, if you have any reason to believe that the foreign currencies accepted by you in respect of rendering the hotel services from persons resident in Sri Lanka has been derived or realized from any unlawful activity.



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4. Reporting Requirement

The hotels permitted by these Directions shall require to submit a report as per the **Annex I** on a quarterly basis to the SLTDA on or before the 15th day of the following month by email to dfem@cbsl.lk.

5. For the purpose of these Directions;

- (a) “**authorized dealer**” shall have the same meaning as per the Foreign Exchange Act, No. 12 of 2017.
- (b) “**restricted dealer**” shall have the same meaning as per the Foreign Exchange Act, No. 12 of 2017.
- (c) “**the Order**” shall be the Order published in Gazette (Extraordinary) Notification No. 2220/69 dated 26.03.2021 in **Annex II**.

6. Nothing permitted by these Directions shall be construed as exempting, absolving or preventing the hotels dealing in foreign exchange under these Directions, from the requirement to comply with the provisions of the FEA or any other written law.

Addl. Director-Department of Foreign Exchange

04 May 2021

Annex I to the Directions No.22 of 2021

Acceptance of foreign currency from persons resident in Sri Lanka in respect of services rendered by the Hotels registered with SLTDA

Name of the Hotel:.....

Reporting Quarter & Year:.....

Amount accepted (equivalent in USD)*	Details of deposit/sale of Foreign Currencies (equivalent in USD)*	
	Amount deposited into a Business Foreign Currency Account maintained with an Authorized Dealer/ Restricted Dealer	Amount sold to an Authorised Dealer

* Shall report each transaction in USD by using the exchange rates prevailed on the transaction date

We certify that the above information extracted/generated from the books of the hotel are true and accurate.

Name & Designation of the Authorized Person :.....

Signature & Seal :.....

Date :