

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Extension of the validity period to open Special Deposit Accounts and permission to retain funds held in such accounts in Sri Lanka

The Government of Sri Lanka (GOSL) introduced the Special Deposit Accounts (SDAs) on 08 April 2020 to seek assistance for the national effort to overcome the effects of COVID-19 outbreak in the country. Accordingly, as at 07 October 2020, total deposits in SDAs amounted to approximately USD 272 million.

Considering the potential of SDAs to attract a substantial amount of foreign exchange into the country and the resultant positive impact on the foreign currency reserve position of the country and the overall economy, GOSL has decided to extend the validity period of opening SDAs up to 07 April 2021 on recommendation of the Monetary Board of the Central Bank of Sri Lanka.

In addition, considering the favorable effects of retaining such foreign exchange within the country, GOSL has allowed SDA holders, who wish to keep maturity proceeds of SDAs in Sri Lanka beyond the designated date of maturity, to renew and continue SDAs as normal deposits with Authorized Dealers. The funds held in SDAs so continued as normal deposits will be eligible only for the interest rates offered by the Authorized Dealers for normal term deposits of the respective banks. Upon maturity, such funds are;

- i. freely convertible and repatriable outside Sri Lanka on any future date.
- ii. permitted to be transferred into an Inward Investment Account or a Personal Foreign Currency Account, if the account holder is eligible to open or currently maintain such an account.

The Central Bank of Sri Lanka has issued necessary Directions to Authorized Dealers (Licensed Commercial Banks and National Savings Bank) to implement the above decisions of GOSL.

Further information on SDAs can be obtained by accessing the website of the Department of Foreign Exchange of the Central Bank of Sri Lanka, www.dfe.lk.