



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

**DIRECTIONS No. 08 OF 2021 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017**

**Directions issued to Authorized Dealers on Resident Guest Scheme - 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 the names of prospective investors and professionals who come to Sri Lanka under ‘**Resident Guest Scheme**’ implemented by the Department of Immigration and Emigration (Implementing Agency) in their Domestic Banking Units, subject to the following.

**2. Types of Accounts**

- (a) Resident Guest Foreign Currency Accounts (**RGFCAs**)
- (b) Resident Guest Rupee Current Accounts - Investors (**RGRCA - Investors**)
- (c) Resident Guest Rupee Current Accounts – Professionals (**RGRCA - Professionals**)

**3. Opening and Maintaining the Accounts**

- (a) RGFCAs shall be opened as a fixed deposit account by the prospective investors with a minimum initial deposit of USD 250,000 or its equivalent in any other foreign currency for investments in Sri Lanka.
- (b) RGRCA - Investors shall be opened and maintained as current accounts with a minimum sum of USD 35,000 or its equivalent in any other foreign currency per person for living expenses (upkeep) in Sri Lanka of such investor and each dependent accompanied by him (including spouse) and converted into Sri Lanka Rupees.
- (c) RGRCA - Professionals shall be opened and maintained as current accounts with a minimum sum of USD 2,000 or its equivalent in any other foreign currency per month for the professional intending to reside in Sri Lanka and a further sum of USD 1,000 or its equivalent in any other foreign currency per month for each dependent accompanied by him (including spouse), for living expenses in Sri Lanka, and converted into Sri Lanka Rupees.



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**4. Resident Guest Foreign Currency Accounts (RGFCAs)**

**4.1 Permitted Credits**

- (a) remittances in foreign exchange received from outside Sri Lanka through the banking system in favour of the account holder.
- (b) foreign exchange brought into Sri Lanka by the account holder upon declaration.
- (c) interest on the unutilized funds held in the account initially for a period of two years (No interest shall be paid after the expiry of the initial two years period without having prior approval of the Implementing Agency, to that effect).

**4.2 Permitted Debits**

- (a) withdrawal of funds for investment in the following “approved projects” subject to production of documentary proof of obtaining relevant approvals.
  - i. New ventures approved by the Board of Investment in Sri Lanka or a relevant authority.
  - ii. Existing or new companies engaged in projects approved by a relevant authority.
  - iii. Shares listed in the Colombo Stock Exchange.
- (b) transfer of funds in excess of USD 250,000 or its equivalent in other designated foreign currencies brought into the country and held in the account as unutilized; to an account maintained outside Sri Lanka in the name of the same investor.
- (c) transfer of interest earned on the uninvested funds held in the account as stated in Paragraph 4.2 (b) above, to the RGRCA of the same investor.

**5. Resident Guest Rupee Current Accounts - Investors (RGRCA – Investors)**

**5.1 Permitted Credits**

- (a) Sri Lanka Rupee proceeds of remittances in foreign exchange received from outside Sri Lanka through the banking system or foreign exchange brought into Sri Lanka by the account holder upon declaration as required by the Paragraph 3 (b) above, for living expenses (upkeep) in Sri Lanka of the investor and each dependent accompanied by him.



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- (b) interest paid on the funds in the RGFCAs of the investor as per Paragraph 4.2 (c) above, converted into Sri Lanka Rupees.
- (c) income (dividends, profits) and sale proceeds from investments acquired utilizing funds in the RGFCAs.

**5.2 Permitted Debits**

- (a) disbursements in Sri Lanka in Sri Lanka Rupees of the investor and his dependents.
- (b) investments in approved projects mentioned in Paragraph 4.2 (a) above.
- (c) remittances for payments in respect of current transactions of the investor or his dependents residing in Sri Lanka.

**6. Resident Guest Rupee Current Accounts – Professionals (RGRCAs- Professionals)**

**6.1 Permitted Credits**

- (a) Sri Lanka Rupee proceeds of remittances in foreign exchange received from outside Sri Lanka through the banking system or foreign exchange brought into Sri Lanka by the account holder upon declaration as required by the Paragraph 3(c) above, for living expenses (upkeep) in Sri Lanka of the professional and each dependent accompanied by him.
- (b) salary, consultancy fees, etc. received from provisioning of professional services in Sri Lanka by the account holder.

**6.2 Permitted Debits**

- (a) disbursements in Sri Lanka in Sri Lanka Rupees of the account holder and his/her dependents.
- (b) remittances for payments in respect of current transactions of the professional or his dependents residing in Sri Lanka.
- (c) withdrawal of any unutilized funds held in the account or transfer of such unutilized funds to an account maintained outside Sri Lanka in the name of the same professional, at the time of departure.



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**7. Monthly Returns**

- (a) ADs shall submit quarterly statements as per the **Annex I** and **Annex II** for RGFCAs and RGRCAAs – Investors, respectively, not later than the 15<sup>th</sup> day of the following quarter and monthly statements as per the **Annex III** for RGRCAAs - Professionals not later than the 15<sup>th</sup> 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.

- 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 RGFCAs, RGRCAAs – Investors or RGRCAAs - Professionals 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;
- (c) **“Current transactions”** shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017.

- 10.** Directions No. 06 of 2017 dated 20 November 2017 issued to ADs specifying requirements related to operating of Resident Guest Scheme special accounts 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.



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- 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**

**Quarterly Statement of Resident Guest Foreign Currency Accounts (RGFCA)**

Name of the Bank: .....

Reporting Quarter & Year: .....

Name of the Account Holder	Currency	Initial Deposit		Opening Balance	Credits			Debits				Closing Balance
		Date	Amount		Inward Remittances/ Deposits	Interest Credited	Other	Transfer of Unutilized/ Excess Fund	Withdrawal of funds for approved investments	Transfers to RGRCA	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: .....

**Quarterly Statement of Resident Guest Rupee Current Account - Investors (RGRCA-Investors)**

Name of the Bank: .....  
 Reporting Quarter & Year: .....

**In LKR**

Name of the Account Holder	Account Number	Initial Deposit		Opening Balance	Credits					Debits			Closing Balance
		Date	Amount		Inward Remittances/Deposits for the living expenses of a/c holder and of his dependents	Inward Remittances/Deposits for the living expenses of a/c holder and of his dependents	Transfers from RGFCA	Income Earned from Investments	Other	Local Disbursements	Payments for Current Transactions	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: .....

Signature & Seal : .....

Date: .....

**Monthly Statement of Resident Guest Rupee Current Accounts- Professionals (RGRCA-Professionals)**

Name of the Bank: .....

Reporting Month & Year: .....

**In LKR**

Name of the Account Holder	Account Number	Opening Balance	Credits				Debits				Closing Balance
			Inward Remittances/ Deposits for the initial sum of USD 2,000	Inward Remittances/ Deposits for the living expenses of a/c holder and of his dependents	Earnings in Sri Lanka	Other	Local Disbursements	Payments for Current Transactions	Withdrawal/ transfer of any unutilized funds	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: .....