



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

DIRECTIONS No. 16 OF 2021 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017

Directions issued to Authorized Dealers on Capital Transactions Rupee Accounts

In terms of the Foreign Exchange (Remittance of Funds by Emigrants) Regulations No. 03 of 2021 (the regulations) and Sections 9 of the Foreign Exchange Act, No.12 of 2017 (FEA), read with Sections 6 and 7 of the FEA, Authorized Dealers (ADs) are permitted to open and maintain Capital Transactions Rupee Accounts (CTRAs) in the Domestic Banking Unit, subject to the following.

2. Eligible Persons

- (a) An emigrant, resident in or outside Sri Lanka.
- (b) A Non- National resident in or outside Sri Lanka including minors of such person.
- (c) An individual Sri Lankan resident in or outside Sri Lanka who has obtained Temporary Resident visa in another country, aged 18 years or above.
- (d) An individual Sri Lankan resident in Sri Lanka who is a prospective migrant under the parent migration scheme.
- (e) An administrator or executor of the estate of a deceased person who was an emigrant.

3. Opening and Maintaining the CTRAs

- (a) The CTRA may be opened and maintained in the form of Savings or Current (without overdrawing facility) account, in Sri Lanka Rupees.
- (b) Eligible persons shall open only one CTRA in the banking system and shall be held as sole account.
- (c) Both CTRA and Emigrant's Remittable Income Account shall be opened and maintained with the same AD.
- (d) All existing CTRAs except the accounts for which a Registration Number has been issued by the Central Bank, shall be re-designated and continued to be operate as Non Resident Rupee Accounts, within three months from the date of the regulations.

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- (e) All existing CTRAs maintained by foreign firms/ companies registered/ incorporated outside Sri Lanka, shall be re-designated and continued to be operate as Non-Resident Rupee Accounts, within three months from the date of the regulations.
- (f) All existing CTRAs maintained by Sri Lankans employed abroad who are residing outside Sri Lanka, shall be re-designated and continued to be operate as Sri Lanka Rupee Accounts, within three months from the date of the regulations.

4. Permitted Credits

- (a) Where the account holder is an emigrant, resident in or outside Sri Lanka;
- i. Remittances in foreign exchange received from outside Sri Lanka in favour of the account holder through the banking system, for the purpose of local disbursements in Sri Lanka.
 - ii. Any proceeds realized from any asset in Sri Lanka (including movable, immovable, tangible and intangible assets), owned by the emigrant while being a resident in Sri Lanka or acquired by utilizing funds through such emigrant's Sri Lanka rupee accounts prior to the regulations coming into effect.
 - iii. Any proceeds derived from any assets in Sri Lanka (including movable, immovable, tangible and intangible assets) that are inherited by an emigrant, from a person resident in Sri Lanka.
 - iv. Any proceeds derived from any asset in Sri Lanka (including movable, immovable, tangible and intangible assets) that are received as a gift by the emigrant, from an immediate family member who is a person resident in Sri Lanka.
 - v. Any proceeds realized from any asset in Sri Lanka (including movable, immovable, tangible and intangible assets, excluding funds held in the Personal Foreign Currency Accounts or Inward Investment Accounts) that are inherited or received by way of a gift to or by the emigrant from another emigrant who is an immediate family member (*i.e.* transferor) out of the investments, made while being a resident in Sri Lanka or made through his or her Sri Lanka rupee accounts prior to the regulations coming into effect or inherited by the transferor or

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received as a gift by the transferor or made through an Non Resident Rupee Account of the transferor as permitted in the Foreign Exchange (Classes of Capital Transactions Undertaken in Sri Lanka by a Person Resident Outside Sri Lanka) Regulations No. 02 of 2021.

- vi. Monetary gifts received by the emigrant from an immediate family member, being funds realized from any asset in Sri Lanka (including movable, immovable, tangible and intangible assets).
 - vii. Any income derived from the investments owned or acquired or inherited or received by way of a gift by the emigrant as mentioned under subparagraph 4(a)(ii) to 4(a)(v) of these Direction.
 - viii. Superannuation benefits of the account holder [including Employees Provident Fund (EPF), Employees Trust Fund (ETF), gratuity and pensions or any other retirement benefits].
 - ix. Transfers from Non-Resident Rupee Account of the account holder.
- (b) Where the account holder is a Non- National resident in or outside Sri Lanka including a minor;
- i. Any income and any capital proceeds of the investments as permitted under subparagraph 4(5) (c), 4 (5) (d) and 4(7) under heading A of Schedule I of the Foreign Exchange (Classes of Capital Transactions Undertaken in Sri Lanka by a Person Resident Outside Sri Lanka) Regulations No.02 of 2021.
 - ii. Superannuation benefits of the account holder [including Employees Provident Fund (EPF), Employees Trust Fund (ETF), gratuity and pensions or any other retirement benefits].
- (c) Where the account holder is an individual Sri Lankan who has obtained Temporary Resident visa in another country, aged 18 or above; funds equivalent to maximum of USD 30,000, to obtain foreign exchange, as permitted under the regulations.
- (d) Where the account holder is an individual Sri Lankan who is a prospective migrant under the parent migration scheme; funds equivalent to the amount of the payment to be made to overseas authorities for obtaining visa under the parent migration scheme,



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as permitted under the regulations.

- (e) Where the account holder is an administrator/executor of the estate of a deceased person who was an emigrant;
 - i. Transfers from CTRA or Non-Resident Rupee Account or Emigrant's Remittable Income Account of such deceased person.
 - ii. Any income or capital proceeds receivable to such deceased person as referred under paragraph 4(a) excluding 4(a)(vi) of these Directions.
- (f) Income received for the services provided by the accountholder; and
- (g) Interest earned in Sri Lanka Rupees on the funds held in the account.

5. Permitted Debits

- (a) Where the account holder is an emigrant resident outside Sri Lanka or an emigrant leaving Sri Lanka (initially or subsequently);
 - i. Remittance/ transfer eligible migration allowance to a Personal Foreign Currency Account or Inward Investment Account or an account maintained in the Offshore Banking Unit or an account maintained outside Sri Lanka, of the account holder.
 - ii. Remittance/ transfer of funds which was credited under paragraphs 4(a)(vii) and 4(a)(viii) above to a Personal Foreign Currency Account or Inward Investment Account or Emigrant's Remittable Income Accounts or an account maintained in the Offshore Banking Unit or an account maintained outside Sri Lanka, of the account holder.
 - iii. Transfers to a CTRA of the children, grandchildren, spouse or siblings of the account holder as a gift, subject to the regulations.
 - iv. Transfers to a Non-Resident Rupee Account of the account holder.
- (b) Where the account holder is an emigrant resident in Sri Lanka;
 - i. Withdrawal in foreign currency notes up to the maximum limit specified in the Directions on Current Transactions or transfer of funds for uploading a Foreign



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- Travel Card for travel purpose of the account holder who is a resident in Sri Lanka.
- ii. Remittance for the purpose of living expenses of immediate family member/s (who is/are dependent/s living outside Sri Lanka) of the account holder who is a resident in Sri Lanka.
- (c) Where the account holder is a Non-National resident in or outside Sri Lanka including a minor;
- i. Remittance/ transfer of USD 30,000 per annum out of the funds credited under subparagraph 4(b)(i), to Inward Investment Account or Personal Foreign Currency Account or an account maintained in the Offshore Banking Unit or an account maintained outside Sri Lanka, of the account holder;
 - ii. Remittances/ transfer out of the funds credited under subparagraph 4(b)(ii) above, to Inward Investment Account or Personal Foreign Currency Account or an account maintained in the Offshore Banking Unit or an account maintained outside Sri Lanka, of the account holder;
- (d) Where the account holder is an individual Sri Lankan who has obtained Temporary Resident visa in another country, aged 18 or above; issuance of foreign exchange up to a maximum of USD 30,000.
- (e) Where the account holder is an individual Sri Lankan who is a prospective migrant under the parent migration scheme; payments to overseas authorities for obtaining visa under the parent migration scheme.
- (f) Where the account holder is an administrator or an executor of the estate of a deceased person who was an emigrant, transfer of funds to the CTRA of beneficiary/s of estate of the deceased person.
- (g) Disbursements in Sri Lanka in Sri Lanka rupees.



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6. Procedure for Opening a CTRA

- (a) ADs shall obtain a registration number from the Director-Department of Foreign Exchange prior to opening a CTRA for an eligible person, upon submission of following scanned documents (as applicable) through CTRA@cbsl.lk:
- i. A completed form of Annex I.
 - ii. A copy of the identification page and alternative and observation pages of the current passport.
 - iii. A copy of the Permanent Residency (PR) endorsement or other documentary evidence/s to prove PR date and country.
 - iv. A copy of the certificate of citizenship or dual citizenship.
 - v. If the emigrant has been born outside Sri Lanka, a copy of the certificate of birth registered in Sri Lanka (if any).
- (b) ADs shall open a CTRA upon receipt of a registration number issued by the Director-Department of Foreign Exchange. At any event, ADs may open the Emigrant's Remittable Income Account in name of the same accountholder under the same Registration Number issued by the Director-Department of Foreign Exchange. In the event where an emigrant who already has a Emigrant's Remittable Income Account for which the Registration Number has been issued by the Director-Department of Foreign Exchange requires to open a CTRA, ADs are permitted to open a CTRA under the same Registration Number.

7. Other Conditions

- (a) The migration allowance shall be claimed only at the time of leaving Sri Lanka (initially or subsequently) or at the time that the emigrant is residing outside Sri Lanka.
- (b) The account number assigned to the CTRA in respect of eligible persons, shall be informed to the Director-Department of Foreign Exchange through CTRA@cbsl.lk immediately after it is assigned.



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- (c) When opening a CTRA for eligible minors (*i.e.* persons aged below 18 years), ADs shall open CTRA through his/her natural or legally appointed guardian. Such minors may claim their eligible allowances once they reach 18 years as permitted in the regulations.
- (d) When executing the transaction permitted under the paragraph 4(a)(ix) of these Directions, ADs shall obtain a confirmation on the source of funds from the AD with whom the Non-Resident Rupee Account is maintained.
- (e) When executing the transaction permitted under the paragraph 5(b) of these Directions,
- i. If the travel allowance is to be claimed for the purpose of travel to the country where the accountholder has obtained PR or citizenship and the funds to be utilized for this purpose has been credited under paragraph 4(a) (i) to 4(a) (vi) of these Directions, the amount shall be deducted from the eligible migration allowance at the time of claiming such allowance.
 - ii. If the living expenses are to be remitted his/her dependents who are living in the country where the accountholder has obtained PR or citizenship and the funds to be utilized for this purpose has been credited under paragraph 4(a) (i) to 4(a) (vi) of these Directions, the amount shall be deducted from the eligible migration allowance at the time of claiming such allowance.
- (f) When executing the transaction permitted under the paragraph 5(a)(iv) and 5 (f) of these Directions, ADs shall forward a confirmation on the source of funds to the AD with whom the CTRA is maintained.
- (g) ADs may issue foreign exchange on eligible migration allowance at the time of leaving Sri Lanka initially by the emigrant or on transactions permitted under subparagraph 5(d) above, subject to the maximum limit of USD 5,000 or equivalent amount in any designated foreign currency in the form of foreign currency notes with an appropriate endorsement made on the passport by the AD, including date, amount of foreign currency, CTRA registration number, destination.
- (h) If the AD observe or was informed that the emigrant has made outward investments while being a resident in Sri Lanka through an Outward Investment Account, in the country where the said individual has obtained Permanent Residency or Citizenship, the

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AD shall obtain details of such investments from the AD with whom the Outward Investment Account is maintained and deduct the value of outward remittances made for such investments from his/her eligible migration allowance of such emigrants and inform the migration of the said emigrant to the AD with whom the Outward Investment Account is maintained, in order to enable the conversion of such Outward Investment Accounts into Non Resident Rupee Accounts.

- (i) ADs shall have a mechanism in place to identify the individual from the registration number issued by this department as well as the CTRA number.
- (j) ADs shall obtain proper legally acceptable documentary evidence including the documents referred in Annex 2 and 3 (where applicable) to establish the legality and *bona-fide* of the underlying transaction to be carried out and ensure the compliance to the regulations and these Directions and maintain such documentary evidence/records (either in hard copy or electronic/digital form) beyond any statutory record keeping requirement until the closure of the CTRA.

8. Closure of CTRAs.

- (a) ADs require prior approval of the Director-Department of Foreign Exchange for closure of CTRAs opened and maintained in respect of eligible persons except an administrator or executor of the estate of a deceased person permitted under paragraph 2(e) of these Directions.
- (b) ADs shall close CTRAs opened in respect of an administrator or executor of the estate of a deceased person upon completion of the administration activities in Sri Lanka under the estate of such deceased person.
- (c) ADs shall inform such closure mentioned under 8(b) above to the Director-Department of Foreign Exchange within three working days from the date of such closure via CTRA@cbsl.lk.

- 9. ADs shall require prior permission of the Director-Department of Foreign Exchange, for any transaction/transfer to/from CTRAs for any purpose which falls outside the purview of these Directions.



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10. Reporting Requirement

ADs shall submit a report as per the Annex 4 of these Directions on monthly basis to the Director-Department of Foreign Exchange on or before the 15th day of following month by email to dfem@cbsl.lk.

11. For the purpose of these Directions

- (a) **“Emigrant”** shall have the same meaning in the Foreign Exchange (Remittance of Funds by Emigrants) Regulations No. 3 of 2021.
- (b) **“Immediate Family member”** shall have the same meaning in the Foreign Exchange (Remittance of Funds by Emigrants) Regulations No. 3 of 2021.
- (c) **“Parent Migration Scheme”** shall have the same meaning in the Foreign Exchange (Remittance of Funds by Emigrants) Regulations No. 3 of 2021.
- (d) **“Temporary Resident Visa”** shall have the same meaning in the Foreign Exchange (Remittance of Funds by Emigrants) Regulations No. 3 of 2021.
- (e) **“Migration Allowance”** shall have the same meaning in the Foreign Exchange (Remittance of Funds by Emigrants) Regulations No. 3 of 2021.
- (f) **“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.

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

13. Directions No. 08 of 2017 dated 20 November 2017 issued to ADs specifying requirements related to CTRAs are hereby rescinded.

14. The revocation of previous Directions referred to in Paragraph 13 above shall not affect any rights accrued on or penalties or liabilities incurred, under them prior to the revocation.



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15. All credits and debits of these Directions shall be subject to any Order issued under the section 22 of the FEA.

16. These Directions shall come into operation with effect from **22 March 2021**.

Director-Department of Foreign Exchange

18 March 2021



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Annex 1 to the Directions No. 16 of 2021

Request for registration number to open a Capital Transactions Rupee Account (CTRA) and Emigrant’s Remittable Income Account (ERIA).

1). Details of CTRA or ERIA Holder

- a). Full Name:.....
- b). NIC No (Sri Lanka):
- c). Personal Identification No. (Foreign):
- d). Current Passport No:
- e). Sri Lankan Passport No. (if any):
- f). Date of Birth (DD/MM/YY):..... Place of Birth:.....
- g). Date of Obtaining PR (DD/MM/YY):
- h). Country of PR/Citizenship:
- i). The Account to be opened (ERIA or CTRA or Both):
- j). Eligible Category of the Accountholder (specify the eligibility):

2). Details of the Authorized Dealer

- a). Name :
- b). Branch :
- c). Branch Address :
- d). Email :
- e). Name of the Requesting Officer :
- f). Designation :
- g). Contact No: Direct:
- Mobile:
- h). Date and Signature :

Note: 1. Authorized Dealers are required to fill and submit the Annex 1 with accurate and complete information above.



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Annex 2 to the Directions No. 16 of 2021

Documents to be obtained when releasing the foreign exchange for migration allowance

- i. A formal request from emigrant (Authorized Dealers are advised to maintain a format).
- ii. A copy of Personal Identification Card (Foreign).
- iii. A copy of birth certificate of the emigrant.
- iv. Documents to prove the Permanent Residency (PR), Citizenship (if any) and Dual Citizenship (if any).
- v. Copies of introductory pages of the emigrant's current passport (as applicable).
- vi. Valid documents to prove the source/s of funds (eg. Deed of transfer etc.). If it is a gift as permitted in the regulation, it is mandatory to submit a consent letter signed by the grantor along with the certified copies of birth certificate/s or marriage certificate or any other documentary evidence (as applicable) to prove the relationship (as an immediate family member) between grantor and the emigrant.
- vii. A tax clearance certificate from the Commissioner General of Inland Revenue Department of Sri Lanka for the amount to be remitted (if required, as per the regulations of Department of Inland Revenue).
- viii. An affidavit duly stamped and attested by a Justice of Peace/ Commissioner for Oaths/ solicitor, declaring that,
 - (a) no transfers have been made or will be made in excess of the initial allowance of USD 200,000 and the annual allowance of USD 30,000, as applicable. If any migration allowance has been availed prior to the date of declaration, it should be declared.
 - (b) no transfers have been made for the purpose of investing/acquiring asset outside Sri Lanka. If any investment has been made, details of such investments (name of the AD through which the remittances made, date of remittance, amount, currency, name and



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number of the account, nature of the investment, details of investee) along with documentary evidence should be declared.

- ix. A copy of air ticket (as applicable).
- x. A copy of emigrant's power of attorney (as applicable).
- xi. Other than above, Authorized Dealers may obtain any documentary evidence/information in order to adhere to their internal procedures and as required in paragraph 7(j) of these Directions.



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Annex 3 to the Directions No. 16 of 2021

Documents to be obtained when releasing the foreign exchange for the capital transaction permitted for “A Non- National resident in or outside Sri Lanka” under these Directions

- i. A formal request from the applicant (Authorized Dealers are advised to maintain a format).
- ii. Copy of Personal Identification Card (Foreign).
- iii. A copy of the introductory pages of the current passport, of the applicant.
- iv. Valid documents to prove the source/s of funds.
- v. A tax clearance certificate from the Commissioner General of Inland Revenue Department of Sri Lanka for the amount to be remitted (if required, as per the regulations of Department of Inland Revenue).
- vi. Other than the above, Authorized Dealers may obtain any documents to adhere to their internal procedures and as required in the paragraph 7 (j) of these Direction.

Monthly Statements of Capital Transactions Rupee Accounts (CTRAs)

Name of the Bank:

Reporting Month & Year:

Table 1: Details of the Account and Total Debits from CTRAs**In USD**

Account holder's Details					Account Details		Debits							
							Transfers to Accounts outside Sri Lanka					Issuance of FX	Transfers to local accounts**	Disbursement in sri lanka in LKR
Name in Full	Passport No. (Local/Foreign)	NIC	Eligible Category of the person *	Country of PR / Nationality	Reg. No.	Account No.	Date of the transaction	Migration allowance	Payment for visa under parent migration scheme	In terms of Non-national resident outside Sri Lanka	Current income			
							Total							

You may extend the rows needed for the details of the CTRA holders.

* Follow the numbering order as per the Direction

** Backup of the transfers to local foreign currency accounts should be presented as per table 01

Table 01

Account Details		Transfers to local Foreign Currency accounts				
Reg. No.	Account No.	PFCA	IIA	OBU	NRRA	CTRA as a gift

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 :

Name of the Compliance Officer :

Signature :

Date :

