

**RELAXATION OF FOREIGN EXCHANGE RESTRICTIONS**  
**OPENING OF SPECIAL DEPOSIT ACCOUNT (SDA) WITH SRI LANKA BANKS**

All Sri Lankans living in Sri Lanka and outside Sri Lanka can remit their foreign currency earnings, savings and investments to Sri Lanka and maintain term deposits with any bank in Sri Lanka. All interested Sri Lankans and well-wishers accordingly can instruct their foreign banks to transfer funds to the Sri Lankan banks of their preference to open Special Deposit Accounts (SDA). Citizens and well-wishers living in Sri Lanka can surrender any of their foreign currency holdings to a bank of their choice and open foreign currency deposits.

All Sri Lankan business community, corporate leaders as well to do citizens of Sri Lanka and well-wishers of Sri Lanka who have foreign currency deposits, investments maintained outside Sri Lanka can issue their respective bankers, fund managers, business representatives etc to give instructions to their banks to remit such money to Sri Lankan banks to open accounts in Sri Lanka.

Sri Lankan citizens including dual citizens living outside Sri Lanka can also instruct their banks, bank agents, fund managers etc. to instruct their banks also to open their accounts in any Sri Lankan bank of their preference.

All these accounts are free from taxes and foreign exchange regulations. Higher interest rates than the normal rates offered to foreign currency deposits will be offered. Any currencies mentioned below can be used for these transactions. All such deposits shall be protected under banking secrecy provision and further benefits with the relevant supporting legislations will be introduced with the 2020 Budget. Bank of Ceylon, Peoples Bank and National Savings Bank Head Quarters and Corporate Branches will provide special online service for such customers.

The relevant Gazette Notification and the salient features of the scheme are annexed.

Further information could also be obtained from Sri Lankan overseas missions or from the websites of the Presidential Secretariat, Ministry of Finance of Sri Lanka or the Central Bank of Sri Lanka.

Salient features of Special Deposit Account (SDA) are as follows;

- a. Minimum amount - No prescribed limit.
- b. Minimum period - Six (06) months.
- c. Interest Rate - 1 percent and 2 percent points per annum for SDA with a tenure of 6 months and 12 months respectively, higher than normal foreign currency deposits.
- d. Interest payment - At maturity
- e. Repatriation of funds - freely convertible and repatriable outside Sri Lanka on the maturity.
- f. Exemption - Exempted from any procedural requirements specified in the Foreign Exchange Regulation No. 1 of 2017 published in the Gazette Extraordinary No 2045/56 of 17, 2017.

- g. Operation of Account - Debits and credits are permitted under Section 7 of the Foreign Exchange Act, No 12 of 2017 so that Rupee Accounts can be opened.
  
- h. Acceptable Currencies - United States Dollars (USD), Euro, Sterling Pound, Australian Dollars, Singapore Dollars, Swedish Kroner, Swiss Franc, Canadian Dollars, Hong Kong Dollars, Japanese Yen, Danish Kroner, Norwegian Kroner, Chinese Renminbi and New Zealand Dollars

All Sri Lankans who are willing to express their solidarity to sustain Sri Lanka's resilience are invited to this opportunity in support of COVID – 19 prevention and social security initiative.



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PART I : SECTION (I) — GENERAL

Government Notifications

FOREIGN EXCHANGE ACT, No. 12 of 2017

REGULATIONS made under Section 29 read with Section 7 of the Foreign Exchange Act, No. 12 of 2017

1. Any Sri Lankan individual resident in or outside Sri Lanka including Dual Citizens, Citizens of other States with Sri Lankan origin and any person resident outside Sri Lanka including funds, corporate bodies, association and other well-wishers, are hereby permitted to open and maintain an account titled “**Special Deposit Account**” in the form of Term Deposits either in any designated foreign currency or in Sri Lanka Rupees with an authorized dealer in Sri Lanka, out of inward remittances from abroad routed through the banking system favoring the account holder during the period of six months from the date of this regulation.
2. Salient features of the Special Deposit Account shall be as follows :
  - i. Minimum tenure : Six (06) months.
  - ii. Interest payable : 1 percentage point and 2 percentage points per annum for SDAs with a tenure of 6 months and 12 months, respectively, payable at maturity of the deposit, above the deposit interest rates applicable for normal deposits of similar maturities by the respective bank.
  - iii. Repatriation of Funds : Freely convertible and repatriable outside Sri Lanka on the maturity of the term deposits.



3. The Special Deposit Accounts will be exempted from any procedural requirements specified in the Foreign Exchange (Classes of Capital Transactions in Foreign Exchange Carried on by Authorized Dealers) Regulations No. 1 of 2017 published in the *Gazette Extraordinary* Notification No. 2045/56 dated November 17, 2017.
4. The criteria for opening and maintenance of the Special Deposit Accounts, permitted debits and credits thereof shall be in terms of the directions issued to authorized dealers by the Central Bank under Section 9 of the Act in that behalf.
5. For the purpose of these regulations, the designated foreign currencies are, United States Dollars (USD), Euro, Sterling Pound, Australian Dollars, Singapore Dollars, Swedish Kroner, Swiss Franc, Canadian Dollars, Hong Kong Dollars, Japanese Yen, Danish Kroner, Norwegian Kroner, Chinese Renminbi and New Zealand Dollars.

MAHINDA RAJAPAKSA,  
Minister of Finance, Economic and Policy Development.

Colombo,  
08th April, 2020.

