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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2234/49 - 2021 ජූලි මස 2 වැනි සිකුරාදා - 2021.07.02

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PART I : SECTION (I) — GENERAL

Government Notifications

FOREIGN EXCHANGE ACT, No. 12 OF 2017

Order under Section 22

BY virtue of the powers vested in me under Section 22 of the Foreign Exchange Act, No. 12 of 2017 (the Act), I, Mahinda Rajapaksa, Minister of Finance, do by this Order,

- i. Suspend the repatriation of funds under the migration allowance out of funds received as monetary gifts by an emigrant from an immediate family member, being funds realized from any asset in Sri Lanka (including movable, immovable, tangible and intangible assets), under the general permission granted in the Part I of the Schedule of the Regulations No. 3 of 2021 published in the *Extraordinary Gazette Notifications* No. 2213/36 dated 03rd February, 2021 (hereinafter referred to as “Regulations No. 3 of 2021”);
- ii. Limit the repatriation of funds under the migration allowance through Capital Transactions Rupee Accounts by the emigrants who have already claimed migration allowance under the general permission stated in the Regulations No. 3 of 2021, by the date of this Order, up to a maximum of USD 10,000 or equivalent in any other designated foreign currency, during the effective period of this Order;
- iii. Limit the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time under the general permission stated in the Regulations No. 3 of 2021, up to a maximum of USD 30,000 or equivalent in any other designated foreign currency, during the effective period of this Order;



- iv. Limit the repatriation of any current income or accumulated current income (including Employees Provident Fund (EPF), Employees Trust Fund (ETF), gratuity and pensions or any other retirement benefits) by the emigrants through the Capital Transaction Rupee Accounts or Emigrant's Remittable Income Accounts, under the general permission granted in the Regulations No. 3 of 2021, up to a maximum of USD 30,000 or equivalent in any other designated foreign currency, during the effective period of this Order ;
- v. Limit the outward remittances or issuance of foreign exchange for any Sri Lankan individual who resides in or outside Sri Lanka and has obtained Temporary Residence Visa of another country, up to a maximum of USD 20,000 or equivalent in any other designated foreign currency per person, under the general permission granted in the Regulations No. 3 of 2021.
- vi. Limit the issuance of foreign exchange for any person resident in Sri Lanka who intends to leave Sri Lanka under the Temporary Residence Visa of another country up to a maximum of USD 10,000 or equivalent in any other designated foreign currency per person, under the general permission granted in the Schedule of the Regulations No. 4 of 2021 published in the *Extraordinary Gazette* Notifications No. 2213/37 dated 03rd February, 2021.
- vii. Suspend making payments through Outward Investment Accounts for the purpose of making investments in overseas by persons resident in Sri Lanka under general permission granted in the Schedule of the Regulations No. 1 of 2021 published in the *Extraordinary Gazette* Notifications No. 2213/34 dated 03rd February, 2021, excluding :
- (a) investments to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act, or
 - (b) an additional investment to be made to fulfill the regulatory requirements in the investee's country applicable on the investment already made in compliance with the provisions of the Act or repealed Exchange Control Act, in a company or a branch office in that country, or
 - (c) an additional investment/infusion of funds (as applicable) to be made by eligible resident companies in already established subsidiaries or branch offices in overseas incorporated/established subject to the provisions of the Act or repealed Exchange Control Act, up to a maximum of USD 15,000 or equivalent in any other designated foreign currency, for the purpose of working capital requirements of the investee, or
 - (d) the remittances for the purpose of maintenance of liaison, marketing, agency, project, representative or any other similar offices already established in overseas subject to the provisions of the Act or repealed Exchange Control Act, by eligible resident companies, up to a maximum of USD 30,000 or equivalent in any other designated foreign currency ;
- provided that, the Head of Department of Foreign Exchange is satisfied with the fulfillment of such requirement.
- viii. Limit the outward remittances on capital transactions through Business Foreign Currency Accounts or/and Personal Foreign Currency Accounts held by a person resident in Sri Lanka, up to a maximum of USD 20,000 or equivalent in any other designated foreign currency, during the effective period of this Order ;
- ix. The Monetary Board shall have the authority to grant permission in terms of the Section 7 (10) of the Foreign Exchange Act for the investments on case-by-case basis which exceeds the limits specified in the general permission granted in the Regulations No. 1 of 2021 provided that,
- (a) the proposed investment is to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act, or

- (b) the proposed investment is to be made to fulfill the regulatory requirement in the investee's country applicable on the investment already made in a company or branch office in that country in compliance with the provisions of the Act or repealed Exchange Control Act.

This Order is valid for a period of six months from the date of this Order.

MAHINDA RAJAPAKSA,
Minister of Finance.

Colombo,
30th June, 2021.

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