



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

DIRECTIONS NO. 02 OF 2024 UNDER FOREIGN EXCHANGE ACT, No. 12 of 2017

Directions issued to Authorized Dealers on Inward Investment Accounts (IIAs)

In terms of the Foreign Exchange (Classes of Capital Transactions Undertaken in Sri Lanka by a Person Resident Outside Sri Lanka) Regulations No. 02 of 2021 published in the Government Gazette (Extraordinary) Notifications No. 2213/35 dated 03 February 2021, as amended (the Regulations) and Section 9 read with Section 6 and 7 of the Foreign Exchange Act, No. 12 of 2017, the Directions No. 15 of 2021 dated 18.03.2021 issued to Authorized Dealers (ADs) on Inward Investment Accounts, as amended (the Direction), is hereby amended as follows.

I. Following is inserted as **item (t) of paragraph 4 (Permitted Credits)** of the Direction.

“Any income or any capital proceeds including sales proceeds derived from securities listed in the Colombo Stock Exchange, acquired by the account holder under Securities Borrowing and Lending transactions in terms of rules promulgated by a clearing house licensed under the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021.”

II. Following is inserted as **item (u) of paragraph 4 (Permitted Credits)** of the Direction.

“Any income and payments derived by the account holder from securities borrowing and lending transactions in terms of rules promulgated by a clearing house licensed under the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021, including fees, margins, manufactured payments and/or compensation in relation to such securities.”

III. Following is inserted as **item (l) of paragraph 5 (Permitted Debits)** of the Direction.

“Payments to be made by the account holder pursuant to borrowing securities listed in the Colombo Stock Exchange under securities borrowing and lending transactions in terms of rules promulgated by a clearing house licensed under the Securities and Exchange Commission of Sri Lanka Act, No. 19 of 2021, including fees, margins, manufactured payments and/or compensation payable in relation to such securities.”

IV. **Item (f) of Other Conditions in paragraph 6** of the Direction is repealed.


Director

20th March 2024