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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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No. 2493/37 - THURSDAY, JUNE 18, 2026

(Published by Authority)

PART I : SECTION (I) — GENERAL

Government Notifications

FOREIGN EXCHANGE ACT, No. 12 OF 2017

REGULATIONS made by the Minister of Finance under section 29 read with section 7 of the Foreign Exchange Act, No. 12 of 2017(Act).

ANURA KUMARA DISSANAYAKE,
Minister of Finance, Planning and
Economic Development.

Colombo,
June 18, 2026.

Regulations

1. Citation

These regulations shall be cited as the Foreign Exchange (Fund Transfers Abroad by Emigrants) Regulations No. 2 of 2026 and shall come into operation with effect from June 20, 2026.

2. Saving provisions

2.1. Foreign Exchange (Remittance of Funds by Emigrants) Regulations No. 3 of 2021 made under the Act, published in the *Gazette Extraordinary* No. 2213/36 of February 03, 2021, are hereby rescinded, without prejudice to anything done thereunder.

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2.2. Any Order made by the Minister of Finance under section 22 of the Act, limiting outward remittances, shall have effect during the period of such Order notwithstanding the rescission of the aforesaid Regulations and issuance of these Regulations.

3. Fund transfers abroad by emigrants

3.1. For the purposes of these regulations, an "emigrant" shall mean;

3.1.1. a Sri Lankan who has obtained permanent residential status in another country; or

3.1.2. a Sri Lankan who has obtained citizenship in another country; or

3.1.3. a dual citizen of Sri Lanka, whose mother or father was born in Sri Lanka; or

3.1.4. a non-Sri Lankan Citizen;

(a) whose mother or father was born in Sri Lanka; and

(b) whose birth has been registered in Sri Lanka,

and includes the minor children under the categories of persons referred to in paragraph 3.1.1, 3.1.2, 3.1.3 and 3.1.4.

3.2. Eligibility to transfer funds abroad by emigrants

3.2.1. Any emigrant who is aged eighteen (18) years or above shall be eligible to effect fund transfers abroad, which involves the conversion of Sri Lanka Rupees to foreign currency, subject to the limits, terms and conditions set out in these regulations.

3.2.2. Emigrant's fund transfers abroad may be effected only at the time of departure from Sri Lanka (initially or subsequently) or while the emigrant is residing abroad.

3.3. Permitted sources of funds eligible for emigrants' funds transfers

3.3.1. The following funds may be transferred abroad by an emigrant without being subject to the migration allowance specified under paragraph 3.4 of these regulations.

(a) Current income of the emigrant including employment benefits and superannuation benefits.

(b) Foreign exchange held in bank accounts in Sri Lanka which was owned or inherited or gifted to the emigrant.

(c) Capital proceeds of permitted investments made in Sri Lanka by non-residents utilizing funds remitted to Sri Lanka under the provisions of the Act or the repealed Exchange Control Act, No. 24 of 1953, which were inherited or gifted to the emigrant.

3.3.2. The following funds may be transferred abroad by an emigrant subject to the migration allowance specified under paragraph 3.4 of these regulations.

(a) Capital proceeds derived from any asset in Sri Lanka, acquired by the emigrant utilizing Sri Lanka Rupees held in Sri Lanka and the investments made under paragraph 7 of these regulations.

(b) Capital proceeds of any asset in Sri Lanka inherited by the emigrant, other than the assets stated in (b) and (c) of paragraph 3.3.1 above.

(c) Capital proceeds of assets received as gifts to the emigrant from an immediate family member other than the assets stated in (b) and (c) of paragraph 3.3.1 above.

3.4. **Permitted migration allowance**

3.4.1. The initial migration allowance of USD 200,000 or equivalent in any other designated foreign currency, per emigrant, with a maximum transferable amount of USD 100,000 or equivalent in any other designated foreign currency, per calendar year.

3.4.2. For the emigrants who claimed part of the initial migration allowance before November 20, 2017, the remaining balance of USD 150,000 or equivalent in any other designated foreign currency.

3.4.3. The annual migration allowance of USD 30,000 or equivalent in any other designated foreign currency, per calendar year, only upon the lapse of twelve (12) months from the date of fully utilizing the initial allowance referred at paragraph 3.4.1 or 3.4.2, as applicable.

3.4.4. Annual allowances may be accumulated and remitted outside Sri Lanka provided that relevant funds have been maintained in a bank account during the entire corresponding calendar years, as specified below;

(a) From 2013 to 2016, the annual migration allowance shall be USD 20,000 or equivalent in any other designated foreign currency per calendar year.

(b) From 2017, the annual migration allowance shall be USD 30,000 or equivalent in any other designated foreign currency per calendar year.

4. **Procedure for making outward remittances with respect to emigrants' fund transfers.**

4.1. Emigrants' funds in Sri Lanka Rupees referred at paragraph 3.3 above shall be credited to Emigrants' Transaction Rupee Accounts or Emigrants' Rupee Accounts opened and maintained by such persons with Authorized Dealers in Sri Lanka.

4.2. An emigrant shall remit outside Sri Lanka any funds specified under paragraph 4.1 above only through an Emigrants' Transaction Rupee Account designated solely for the purpose of remitting such funds outside Sri Lanka and/or transfer such funds to accounts maintained by the emigrant in Sri Lanka as specified under paragraph 4.4 below.

4.3. Emigrants' funds held in Emigrants' Rupee Accounts shall be transferred to Emigrants' Transaction Rupee Accounts for the purpose of remitting such funds outside Sri Lanka or to accounts maintained by the emigrant in Sri Lanka as specified under paragraph 4.4 below.

4.4. Funds available in an Emigrants' Transaction Rupee Account can be transferred to Personal Foreign Currency Accounts or Inward Investment Accounts or accounts maintained with the Offshore Banking Business of licensed commercial banks in Sri Lanka, of the same accountholder, subject to the permitted migration allowance specified at paragraph 3.4 above.

5. **Deductions from the migration allowance**

5.1. The following funds shall be deducted from the eligible migration allowance at the time of making outward remittances or fund transfers to respective accounts of the emigrant under paragraph 4.4 above, from Emigrants' Transaction Rupee Accounts.

5.1.1. The total value of the overseas investments made by an emigrant while being a resident in Sri Lanka, by converting Sri Lanka Rupees into foreign currency under the provisions of the Act and repealed Exchange Control Act, No. 24 of 1953, at the time of claiming the eligible migration allowance specified at paragraph 3.4 above. However, the value of such investment shall not be deducted from the eligible migration allowance if the emigrant submits documentary evidence to the effect of bringing back the disposal proceeds of such overseas investments to Sri Lanka.

5.1.2. Payments made by prospective emigrants under the "Parent Migrations Schemes' as specified under paragraph 8.1 below.

5.1.3. Funds claimed under paragraph 8.2 below by Sri Lankan individuals aged eighteen (18) years or above and holding temporary resident visa which lead to permanent resident visa.

6. Opening and maintenance of Emigrants' Transaction Rupee Accounts and Emigrants' Rupee Accounts

6.1. The following persons are permitted to open and maintain only one Emigrants' Transaction Rupee Account at any given time either in the form of a savings account or a current account in accordance with directions issued by the Central Bank under the provisions of the Act.

(a) Emigrants

(b) Individual Sri Lankans, aged eighteen (18) years or above, who intends to depart under temporary resident visa which leads to permanent resident visa in another country

(c) Individual Sri Lankans who are prospective emigrants under Parent Migration Schemes

(d) Non-nationals resident in or outside Sri Lanka including minors who are permitted to repatriate income and capital proceeds of the investments as specified in the Regulations on Investments made in Sri Lanka by Persons Resident outside Sri Lanka, issued under the provisions of the Act

(e) Administrators or executors or any similar authority of the estate of a deceased eligible person, until the completion of the administration of the estate of a such deceased person

(f) Any other person or category of persons who may be authorized by the Central Bank from time to time for the purposes of these regulations.

6.2. The following persons are permitted to open and maintain Emigrants' Rupee Accounts in the form of savings accounts or current accounts or term deposits in accordance with directions issued by the Central Bank under the provisions of the Act.

(a) Emigrants

(b) Non-nationals resident in or outside Sri Lanka including minors who are permitted to repatriate income and capital proceeds of the investments as specified in the Regulations on Investments made in Sri Lanka by Persons Resident outside Sri Lanka, issued under the provisions of the Act

(c) Administrators or executors or any similar authority of the estate of deceased eligible persons, until the completion of the administration of the estate of such deceased persons

(d) Any other person or category of persons who may be authorized by the Central Bank from time to time for the purposes of these regulations

7. Investments in Sri Lanka made by emigrants out of funds held in Emigrants' Rupee Accounts

7.1. Emigrants may make investments which are permitted under the Foreign Exchange Regulations on Investments made in Sri Lanka by Persons Resident outside Sri Lanka, issued under the provisions of the Act, out of the funds held in Emigrants' Rupee Accounts including current income of such emigrants.

7.2. All income and capital proceeds of such investments shall be credited to Emigrants' Rupee Account, through which the investment was made.

8. Fund transfers of prospective emigrants

8.1. In the event of "Parent Migration Schemes", parents may remit funds for visa payments to overseas authorities through Emigrants' Transaction Rupee Accounts opened by them, in accordance with the directions issued by the Central Bank under the provisions of the Act.

8.2. Sri Lankan individuals, aged eighteen (18) years or above, residing in or outside Sri Lanka and holding temporary resident visa which lead to permanent resident visa in other countries, may claim a maximum of USD 30,000 or equivalent in any other designated foreign currency, through an Emigrants' Transaction Rupee Accounts opened by such individuals, in accordance with the directions issued by the Central Bank under the provisions of the Act, for the purposes of expenses relating to initial settlement abroad. These funds shall be claimed only at the time of leaving Sri Lanka or before the lapse of three (3) months from the date of departure from Sri Lanka.

9. Other terms and conditions

9.1. An emigrant who expects to leave Sri Lanka for the purpose of permanently settling in the country in which he or she has obtained permanent resident visa shall inform the change of residential status to the Authorized Dealers with whom he or she is maintaining accounts in Sri Lanka.

9.2. An individual who is an emigrant and has failed to inform the permanent residential status, prior to the effective date of these Regulations, shall inform the change of residential status to the Authorized Dealers with whom he or she is maintaining accounts in Sri Lanka, with immediate effect.

9.3. Upon receipt of such information, the Authorized Dealers shall re-designate Sri Lanka Rupee Accounts of such individual as Emigrants' Rupee Accounts.

10. Re-designation of accounts

10.1. All existing Capital Transactions Rupee Accounts shall be re-designated and operated as Emigrants' Transactions Rupee Accounts within three (3) months from the effective date of these Regulations, subject to the directions issued by the Central Bank under the provisions of the Act.

10.2. All existing Emigrants' Remittable Income Accounts and Non-Resident Rupee Accounts held by emigrants, shall be re-designated and operated as Emigrants' Rupee Accounts within three (3) months from the effective date of these Regulations, subject to the directions issued by the Central Bank under the provisions of the Act.

11. Reporting information on emigrants fund transfers

Authorized Dealers shall submit the details of transactions and transfers effected under these Regulations, to the Head of the Department of Foreign Exchange, as may be specified by the directions issued by the Central Bank in this regard.

12. General compliance requirement

12.1. Every person including Authorized Dealers, engaged in transactions or transfers for the purposes of these Regulations shall comply with the provisions of the Act, regulations, orders and directions issued thereunder and other applicable laws in Sri Lanka.

12.2. Authorized Dealers through which the transactions or transfers effected under these Regulations shall establish the *bona fide* of such transactions or transfers.

12.3. The Central Bank may take such action as it may consider necessary under the provisions of the Act, in respect of any Authorized Dealer or any other person not being an Authorized Dealer, who fails to comply with the provisions of the Act, regulations, orders and directions issued thereunder.

13. Definitions

For the purposes of these Regulations,

13.1. "The Act" shall mean the Foreign Exchange Act, No. 12 of 2017;

13.2. "Authorized Dealer" shall mean a bank licensed under the Banking Act, No. 30 of 1988, as amended, and authorized under section 4 of the Act as an Authorized Dealer;

13.3. "Capital transaction" shall mean a transaction which is not a current transaction within the meaning of the Act;

13.4. "Central Bank" shall have the same meaning as in the Central Bank of Sri Lanka Act, No. 16 of 2023;

13.5. "Designated foreign currencies" shall mean the foreign currencies that are set out in the Banking (Off-shore Banking) Order No. 01 of 2024 dated June 15, 2024, and any subsequent Orders or amendments thereto;

13.6. "immediate family members" means parents, grandparents, siblings, spouse and children of the emigrant;

13.7. "licensed commercial bank" shall mean a licensed commercial bank or a licensed specialized bank as in the Banking Act No. 30 of 1988, as amended;

13.8. "Parent Migration Scheme" means a scheme operated by another country enabling Sri Lankan parents of a person who has obtained permanent residential status or citizenship in that country, to obtain permanent residential status in such country.

EOG 06 - 0247

PRINTED AT THE DEPARTMENT OF GOVERNMENT PRINTING, SRI LANKA.