

PRESS RELEASE

✉ Communications Department, 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka
☎ +94 11 2477424 / +94 11 2477423 📠 +94 11 2346257
@ communications@cbsl.lk / dcommunications@cbsl.lk 🌐 www.cbsl.gov.lk



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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Communications Department

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Margin Deposit Requirement against the Importation of Selected Non-Essential/Non-Urgent Goods made under Letters of Credit and Documents against Acceptance Terms with Licensed Commercial Banks and National Savings Bank

The Monetary Board of the Central Bank of Sri Lanka, at its meeting held on 08 September 2021, decided to impose a 100 per cent cash margin deposit requirement against the importation of selected goods of non-essential/non-urgent nature made under Letters of Credit and Documents against Acceptance terms with Licensed Commercial Banks and National Savings Bank, with immediate effect. The decision to impose the cash margin deposit requirement is expected to support the ongoing efforts to preserve the stability of the exchange rate and foreign currency market liquidity, particularly by discouraging excessive imports of speculative nature.

A summary of product categories that are subjected to cash margin deposit requirements, along with information on import expenditure under each category in 2019, 2020 and thus far in 2021 (provisional), is given in the Table below.

**Summary of non-essential/non-urgent imports subjected to
100% cash deposit margin requirements**

Product Description	No. of HS codes	Import Values (USD mn)		
		2019	2020	Jan-Jul 2021
Telecommunication devices (such as mobile telephones and fixed telephones)	5	247.3	268.4	250.3
Home appliances (such as fans, TVs, refrigerators, washing machines, digital cameras, hair clips, heaters, lamps, ovens)	82	203.8	171.7	160.6
Clothing and accessories (such as babies' garments, hosiery, jerseys, nightdresses and pyjamas, overcoats, shirts and blouses, suits, track suits and swimwear, T-shirts, underwear, footwear, watches, sunglasses, other accessories)	266	162.6	129.9	102.3
Household and furniture items (such as furniture, lamp and lighting fittings, ornamental products, tableware and kitchenware, bed linen)	121	103.5	77.6	63.8
Rubber tyres	10	42.2	28.5	40.1
Air conditioners	15	50.4	43.0	34.4
Fruits (such as fresh apples, grapes, oranges and dried fruits, fruit juices)	11	65.5	50.1	33.6
Cosmetics and toiletries (such as perfumes, makeup preparations)	23	34.8	22.6	19.9
Beverages (such as beer, wine, mineral water and other beverages)	24	58.0	27.7	11.8
Other food and beverages (such as cereal preparations, starches, chocolates, malt, fish fillets, cheese, butter)	36	43.5	33.9	26.5
Other non-food consumables (such as musical instruments, tobacco products, toys, stationery)	30	46.4	17.8	10.1
Total	623	1,057.9	871.2	753.4