



**MONETARY BOARD  
CENTRAL BANK OF SRI LANKA**

**25 January 2021**

**BANKING ACT DIRECTIONS**

**No. 02 of 2021**

**FORWARD SALES AND PURCHASES OF FOREIGN EXCHANGE BY LICENSED  
COMMERCIAL BANKS**

Issued in terms of the powers conferred by Section 46(1) of the Banking Act No. 30 of 1988, as amended.

In view of the need to avoid excess volatility in the foreign exchange market and the impact on banks' risk management, licensed commercial banks are hereby informed to refrain from entering into forward contracts of foreign exchange for a period of three months with immediate effect.

**Prof. W D Lakshman**

*Chairman of the Monetary Board and  
Governor of the Central Bank of Sri Lanka*