

**Ref: 06/04/02/2008**  
Exchange Control Department  
Central Bank of Sri Lanka  
P. O. Box 883  
Colombo 01

May 06, 2008

## **DIRECTIONS TO AUTHORISED DEALERS**

Dear Sirs,

### **Investment in Treasury bills by Foreign Investors**

Authorised Dealers are hereby informed that citizens of foreign states, corporate bodies incorporated outside Sri Lanka and foreign institutional investors such as foreign country funds, mutual funds and regional funds may now purchase, sell or transfer Treasury bills, provided that all such investments in aggregate do not exceed 10% of the outstanding Treasury bill stock.

#### **1. Method of Payment**

Citizens of foreign states or corporate bodies incorporated outside Sri Lanka or foreign institutional investors who invest in Treasury bills shall make payments for purchase of Treasury bills by inward remittance through banking system and channelled through a special rupee account named "Treasury bill Investment External Rupee Account" (TIERA-2) opened in the name of the investor. These accounts may be held by eligible individual investors or jointly by two or more eligible investors.

#### **2. Permitted Credits to TIERA-2**

Accounts may be credited with :-

- (a) Proceeds of inward remittances received from abroad through banking system;
- (b) Proceeds realized out of sale or transfer or maturity proceeds of Treasury bills or any income realized by way of capital gain thereof.

#### **3. Permitted Debits to TIERA-2**

Accounts may be debited in respect of:-

- (a) Payments for investment in Treasury bills;
- (b) Payments to Primary Dealers;
- (c) Payments of relevant bank charges;
- (d) Local expenses of the foreign investor;
- (e) Outward remittance of sale or transfer or maturity proceeds of Treasury bills or any income realized by way of capital gain thereof;

#### **4. Reporting Requirement**

Authorised Dealers are required to furnish to this Department information on a daily basis via existing on-line system as per the attached format.

Yours faithfully

**Controller of Exchange**

**Name of the Authorised Dealer : .....**

**Daily Statement of Treasury bill Investment External Rupee Account (TIERA-2)**  
**as at .....**

Rs.Mn.

<b>Item</b>	<b>Amount</b>
01. Opening Balance (Previous day's closing Balance)	
02. Inflows (a) Capital gain (b) Remittance from abroad	
03. Withdrawals (a) Local withdrawals (b) Remittance abroad	
04. Closing Balance	

***Contact Details:***

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