



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

**DIRECTIONS No. 12 OF 2021 UNDER FOREIGN EXCHANGE ACT, No.12 of 2017**

**Directions issued to Authorized Dealers and Primary Dealers Appointed as Designated Agents for Sri Lanka Development Bonds**

In terms of Sections 4 and 9 of the Foreign Exchange Act, No. 12 of 2017 (the FEA) read with Section 7 of the FEA, permission is granted to Authorized Dealers (ADs) and Primary Dealers who have been appointed by the Superintendent of Public Debt of the Central Bank of Sri Lanka (SPD) as Designated Agents for the purpose of purchasing and marketing Sri Lanka Development Bonds (SLDBs) issued by the Government of Sri Lanka (GOSL) subject to the following.

2. To maintain a USD interest bearing account titled 'Sri Lanka Development Bonds Investment Account' (SLDBIA) on behalf of GOSL to credit funds payable to GOSL, which are received from the categories of investors specified in Paragraph 3 herein, who directly purchase SLDBs from GOSL with an AD for the purpose of acquiring, holding, and transferring SLDBs.

**3. Categories of eligible investors of SLDBs:**

- (a) Citizens of foreign states irrespective of their residential status through the Inward Investment Accounts (IIAs).
- (b) Citizens of Sri Lanka who are residents outside Sri Lanka through IIAs.
- (c) Holders of Personal Foreign Currency Accounts, Business Foreign Currency Accounts, or Offshore Banking Unit Accounts.
- (d) Companies incorporated outside Sri Lanka or Partnerships registered outside Sri Lanka through IIAs.
- (e) Country funds, Regional Funds, Mutual Funds, Unit Trusts, and Institutional investors established outside Sri Lanka through IIAs.
- (f) Licensed Commercial Banks appointed as ADs by the Central Bank of Sri Lanka.
- (g) Licensed Specialized Banks and Licensed Finance Companies, which have been permitted to accept deposits in foreign currency.



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**4. Sri Lanka Development Bond Investment Account (SLDBIA)**

**4.1 Permitted Credits**

- (a) Funds received in USD from eligible investors specified in Paragraph 3 above for the purchase of SLDBs from GOSL including related service charges in respect of investments in SLDBs.

**4.2 Permitted Debits**

- (a) Transfer of funds, in accordance with instructions given in the Offer Document or circular issued by SPD, being payment to GOSL for purchasing SLDBs by eligible investors specified in Paragraph 3 above.
- (b) Transfer of funds to an account of eligible investors specified in Paragraph 3 above being refund and payments for any other purpose, on the instructions of SPD.
- (c) Disbursements in Sri Lanka Rupees or transfers to Foreign Currency Accounts of the Designated Agent being related service charges in respect of investments in SLDBs.
- (d) Transfer of funds in accordance with instructions given in the Offer document or circular issued by SPD, being any other amounts payable to SPD.
- 5.** Directions No. 12 of 2017 dated 20 November 2017 issued to ADs and Primary Dealers appointed as designated agents for SLDBs, are hereby rescinded.
- 6.** The revocation of previous Directions referred to in Paragraph 5. above shall not affect any rights accrued on or penalties or liabilities incurred, under them prior to the revocation.
- 7.** Nothing permitted by these Directions shall be construed as exempting, absolving or preventing ADs or any person dealing in foreign exchange under these Directions, from the requirement to comply with the provisions of any other law.
- 8.** These Directions shall come into operation with effect from **22 March 2021**.

**Director-Department of Foreign Exchange**

**18 March 2021**