



**MONETARY BOARD
CENTRAL BANK OF SRI LANKA**

24 August 2021

MONETARY LAW ACT ORDER

No. 02 of 2021

**MAXIMUM INTEREST RATES ON FOREIGN CURRENCY DEPOSITS
OF LICENSED COMMERCIAL BANKS AND THE NATIONAL SAVINGS BANK**

Issued under Section 104(1)(a) of the Monetary Law Act, No. 58 of 1949, as amended.

Considering the anomalies in the interest rates offered and paid by licensed commercial banks on the rupee and foreign currency deposits, the Monetary Board hereby issues an Order on maximum interest rates to be paid in respect of foreign currency deposit products of licensed commercial banks and the National Savings Bank.

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| 1. Empowerment under the Monetary Law Act | 1.1 In terms of Section 104(1)(a) of the Monetary Law Act, the Monetary Board may from time to time fix the maximum rates of interest which licensed commercial banks and licensed specialised banks may pay upon various classes of deposits. |
| 2. Maximum interest rates on FCY deposits | 2.1 The maximum interest rates that may be offered or paid by a licensed commercial bank and the National Savings Bank on all foreign currency (FCY) deposits shall not exceed an Annual Effective Rate (AER) of up to 5 per cent.
2.2 In the case of Special Deposit Accounts in FCY, the additional interest rate that can be offered or paid shall be over and above the interest rate applicable in 2.1 above. |
| 3. Regulatory Reporting and Disclosure | 3.1 Every licensed commercial bank and the National Savings Bank shall;
(i) submit details of the interest rates offered on FCY deposit products in accordance with the weekly return on 'Rates of Interest', and
(ii) make arrangements to inform and display the interest rates offered to customers on FCY deposit products. |
| 4. Implementation | 4.1 These Orders shall be effective from the date of the Order and shall be applicable for new FCY deposits, existing FCY savings deposits and at the renewal of FCY term deposits. |

Prof. W.D. Lakshman

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