



**CENTRAL BANK OF SRI LANKA
BANK SUPERVISION DEPARTMENT**

04 January 2019

CIRCULAR

No. 01 of 2019

**Guidelines for the Employment of Expatriate Officers in
Licensed Banks in Sri Lanka**

Licensed commercial banks and licensed specialised banks (hereinafter referred to as licensed banks) shall adhere to the following guidelines for the employment of suitable and eligible expatriate officers based on the needs of licensed banks.

**1 General
Requirements**

- 1.1 Expatriate officers, who are appointed as Chief Executive Officers (CEOs) or such other officers performing executive functions in licensed banks, are subject to the fitness and propriety assessment in terms of Section 44A or Section 76H of the Banking Act, No. 30 of 1988, as amended, in addition to these Guidelines.
- 1.2 Licensed banks shall give priority to local officers and employment of expatriate officers shall be considered after all reasonable means have been taken to attract and employ local officers. Local officers shall mean Sri Lankan citizens for the purpose of these Guidelines.
- 1.3 Licensed banks shall establish succession planning to identify local staff and train such staff to take up the positions/responsibilities held by expatriate officers within a reasonable period.
- 1.4 Nevertheless, Guidelines 1.2 and 1.3 above will not be applicable in the case of a bank incorporated outside Sri Lanka, which is within the permitted limit as specified in Guideline 4.1.
- 1.5 The Central Bank of Sri Lanka (CBSL) may withdraw an approval granted for employment of an expatriate officer at any time deemed necessary and shall communicate such decision to the relevant licensed bank giving a maximum of four months of



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- notice.
- 2 Expatriate Officers
- 2.1 Expatriate officers for the purpose of this Direction shall be:
- (i) permanent or contract employees who are on the payroll of the licensed bank or on the payroll of the parent bank of banks incorporated outside Sri Lanka, and is not limited to CEOs and such other officers performing executive functions; and
 - (ii) consultants/advisors to the Board of Directors or bank.
- 3 Eligibility Criteria for Banks Incorporated Locally
- 3.1 Approval for expatriate officers will be granted on a case-by-case basis taking into consideration the specific needs/projects of licensed banks.
- 3.2 Approval will be granted for the employment of expatriate officers in the following fields.
- (i) Implementation of the Basel regulatory framework
 - (ii) International Financial Reporting Standards
 - (iii) Risk modeling
 - (iv) Data warehousing and information technology risk management
 - (v) Structuring of derivative products
 - (vi) Corporate governance
 - (vii) Any other area where a skills gap exists in Sri Lanka, as determined by CBSL
- 3.3 Validity period of the approval shall be on a case-by-case basis up to a maximum of 3 years.
- 3.4 Licensed banks shall submit projections on specific business or deliverables expected from expatriate officers along with other details as in Part I of Annex I.
- 3.5 Extension of tenure approved under 3.3 above



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- (i) The extension of the term of expatriate officers will be considered on a case-by-case basis based on:
 - (a) necessity of the extension of the project;
 - (b) annual performance reviews of expatriate officers; and
 - (c) the succession planning followed by the licensed bank.
- (ii) Maximum extension period shall be 1 year.

**4 Eligibility
Criteria for Banks
Incorporated
Outside Sri Lanka**

- 4.1 The maximum number of expatriate officers permitted shall be based on the number of permanent local staff employed by the licensed bank as follows:

Permanent local staff	Permitted number of expatriates
Less than 75	3
75 to 400	5
More than 400	10

- 4.2 Licensed banks shall submit the details of expatriate officers to CBSL as attached in Part I of Annex I.
- 4.3 Validity period of permission shall be up to a maximum of 4 years for CEOs and 3 years for other expatriate officers.
- 4.4 Extension of tenure permitted under 4.3 above
 - (i) Extension of tenure will be approved based on recommendation of the regional office.
 - (ii) Maximum extension period shall be 2 years for CEOs and 1 year for other expatriate officers.
- 4.5 (i) Under exceptional circumstances, approvals for appointment of expatriate officers in excess of the maximum number of expatriate officers permitted in 4.1 above may be considered on a case-by-case basis for a



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period up to 1 year. However, in order to consider such request at least 80% of the officers performing executive functions of the licensed bank should be local permanent staff.

- (ii) For this purpose, licensed banks shall submit specific skills of the nominated expatriate officers and specific responsibilities/projects assigned to him/her along with other details as in Part I of Annex I.
- (iii) The extension of the term of such appointed expatriate officers will be considered on a case-by-case basis based on:
 - (a) necessity of the extension of the project;
 - (b) annual performance reviews of expatriate officers; and
 - (c) the succession planning followed by the licensed bank.
- (iv) Maximum extension period on such appointments will be 2 years.

4.6 For new branches of banks incorporated outside Sri Lanka, approval for employment of expatriate officers exceeding the permitted number specified in Guideline 4.1 will be granted on a case-by-case basis taking into consideration the specific needs of the bank.

5 Issuance of Visa Recommendation Letters

5.1 The issuance of visa recommendation letters by the Director of Bank Supervision will be limited to:

- (i) expatriate officers on the payroll of licensed bank or on the payroll of the parent bank of banks incorporated outside Sri Lanka, and permitted/approved in terms of these guidelines:
 - (a) the chief executive officer or officers performing executive functions; and



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- (b) any other officers.
- (ii) close relations as defined in the Banking Act (spouse and dependent children) and dependent parents of expatriate officers;
- (iii) an expatriate director of a licensed bank; and
- (iv) consultants/advisors to the Board of Directors or bank permitted/approved in terms of these guidelines.
- 5.2 All applicants recommended for visa by the Director of Bank Supervision shall conduct themselves in a responsible manner during their stay in Sri Lanka.
- 5.3 The Board of Directors or CEOs of banks incorporated locally and, executive at head office/regional head office who is responsible for the operations in Sri Lanka of banks incorporated outside Sri Lanka are responsible to inform the Director of Bank Supervision of any improper conduct and other concerns relating to the expatriate officer's stay in Sri Lanka.
- 5.4 Licensed banks shall submit visa recommendation request forms as given in Part II of Annex I.
- 6 Revocation
- 6.1 The Circular Ref. No. 02/01/00/0002/001 dated 31 December 2007 on Guidelines for Employment of Expatriate Staff in Banks is hereby revoked.

**A A M Thassim
Director of Bank Supervision**

Part I: Application Form for Appointment of an Expatriate Officer		
1.	Name of the bank	
2.	Name of the expatriate officer	
3.	Current designation of the expatriate officer in the parent bank (if applicable)	
4.	Designation to be filled in Sri Lanka	
5.	Responsibilities/projects assigned to the expatriate officer	
6.	Duration of the posting/contract/project	
7.	Projections for specific business/expected deliverables from the expatriate officer (including Key Performance Indicators (KPI) and target dates for each KPI)	
8.	Any other information relevant to the appointment (e.g. succession plan)	

Attachments to be submitted:

1. Curriculum Vitae of the expatriate officer
2. Certification on accuracy of details*

Part II: Visa Recommendation Request Form (To be filled for each person requesting visa recommendation)		
1.	Name in full	
2.	Relationship to the expatriate officer	
3.	Date of birth	
4.	Nationality	
5.	Gender	
6.	Civil status	
7.	Category of visa	
8.	Reasons for applying for visa	
9.	Passport details (passport number, date of issue, date of expiry)	
10.	Any other relevant information	

Attachments to be submitted:

1. Certified copy of the passport
2. Certification on accuracy of details*

Declaration:

I confirm that the above information is true and complete to the best of my knowledge and belief.

Date:

Signature:

**CEO shall certify the accuracy of details submitted on expatriate officers. Details with respect to CEO, his/her spouse, dependent children and dependent parents shall be certified by the Company Secretary in case of a bank incorporated locally and by the executive at head office/regional head office who is responsible for the operations in Sri Lanka in the case of a bank incorporated outside Sri Lanka. Such certification can also be included in the covering letter.*