



ශ්‍රී ලංකා මහ බැංකුව  
இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

විනිමය පාලන දෙපාර්තමේන්තුව

செலாவணிக் கட்டுப்பாட்டுத் திணைக்களம்

Exchange Control Department

7/8 මහල, අංක 30, ජනාධිපති මාවත,  
ත. පෙ. 590, කොළඹ 01, ශ්‍රී ලංකාව

7/8 மாடி, இல. 30 சனாதிபதி மாவத்தை கொழும்பு 1  
த. பெ. இல. 590, கொழும்பு 01, இலங்கை

Level 7/8, No. 30, Janadhipathi Mawatha, Colombo 1  
P. O. Box. 590, Colombo 01, Sri Lanka.

☎ 94 11 2477244/255

☎ 94 11 2477716



ecd@cbsl.lk



www.cbsl.gov.lk

Ref: 06/04/21/2013

June 12, 2013

**DIRECTIONS TO AUTHORIZED DEALERS**

Dear Sirs,

**Accommodations to holders of Foreign Exchange Earners' Accounts (FEEA)**

In order to further facilitate business activities of foreign exchange earners, the authorized dealers are hereby permitted to extend accommodations in foreign currency from the Domestic Banking Unit to persons who maintain FEEA, subject to following terms and conditions.

- i. Accommodation shall be extended for the purpose of meeting fixed or working capital requirements of the business of the holder of the FEEA (hereinafter referred to as the "borrower").
- ii. Repayment period and the rate of interest may be as agreed between the borrower and the authorized dealer (hereinafter referred to as the "lender").
- iii. Accommodations under this permission shall be extended only to earners in foreign exchange who have established, to the satisfaction of the lender, that they receive regular cash flows in foreign exchange during its normal course of business to service the loan in full on time.
- iv. The lender shall prudently assess the evidence of future cash flows in foreign exchange, evaluate the credentials of the borrower and maintain records of the same.
- v. Loan proceeds shall be disbursed to the credit of a FEEA of the borrower maintained with the lender.
- vi. Lender shall obtain deposits maintained in foreign currency and tangible assets as collateral for accommodations extended under this direction.
- vii. In the event of a default, the lender shall recover the outstanding amount of the loan in the following order.
  - (a) Set-off against foreign currency deposits taken as collateral for the particular accommodation.
  - (b) The proceeds of the collateral sold in foreign currency.

- (c) In the event where all efforts of realizing collateral in foreign currency have failed, the outstanding amount of the accommodation may be recovered, as the last resort, out of proceeds of collateral sold in rupees, if ;
- i. The borrower has permanently ceased its business which derived income in foreign exchange; and
  - ii. A period of 12 months has expired from the date of payment of the last installment.
- viii. Lender shall furnish quarterly statements on the accommodations extended under this direction before the 15<sup>th</sup> day of the month immediately following the end of each quarter, as per Annex I.
- ix. The following directions and operating instructions are hereby rescinded, provided that the recovery of accommodations already extended thereunder shall be effected in terms of the procedure laid down in (vii) and (viii), as applicable.
- (i) Ref. No. EC/10/94 (C&F) dated 22.04.1994
  - (ii) Ref. No. EC/17/94 (C&F) dated 04.11.1994
  - (iii) Ref. No. EC/20/94 (C&F) dated 30.11.1994
  - (iv) Ref. No. ECD/02/97(C&F) dated 03.01.1997
  - (v) Ref. No. ECD/03/97 (C&F) dated 03.01.1997
  - (vi) Ref. No. EC/05/2000 D dated 07/04/2000
  - (vii) Ref. No. 06/02/03/2003 dated 21/01/2003
  - (viii) Ref. No. 06/04/01/2011 dated 06/01/2011

Yours faithfully



Controller of Exchange

## Annex I

### Accommodations to holders of Foreign Exchange Earners' Accounts (FEEA)

Name of the Authorized Dealer : .....

Reporting Period: .....

		No. of cases	Value (in USD terms )
1	Accommodations extended during the period		
2	Total accommodations extended as at the end of the quarter		
3	Accommodations defaulted		
4	Accommodations defaulted and recovered in USD terms		
	i. Foreign Currency deposits		
	ii. Collateral sold in Foreign Currency		
	iii. Collateral sold in Rupees		

I hereby confirm that the above details are true and accurate.

Date: .....

.....

Signature of the Authorised Officer

.....

Designation of the Authorised Officer