

**DRAFT**

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**EXTRAORDINARY**

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**PART I: SECTION (1) – GENERAL**

**Central Bank of Sri Lanka Notices**

**NOTICE UNDER THE EXCHANGE CONTROL ACT (CHAPTER 423 OF THE CLE)**

**1. Permission in terms of Sections 7, 10, 11 and 15 of the Exchange Control Act**

- (a) Permission is hereby granted for the purposes of Sections 10, 11 and 15 of the Exchange Control Act (Chapter 423 of the CLE), as applicable for the issue and transfer of units in a Unit Trust operated on a licence issued under the Securities & Exchange Commission of Sri Lanka Act, No. 36 of 1987, as amended, to foreign institutional investors, corporate bodies incorporated outside Sri Lanka and individuals resident outside Sri Lanka (inclusive of Sri Lankans resident outside Sri Lanka), subject to the conditions contained in paragraph 2.
- (b) Permission is hereby granted for the purposes of Section 7 of the Exchange Control Act, for making any payment to or for the credit of a person resident outside Sri Lanka in respect of a transaction permitted under sub-paragraph (a) above and such payment shall only be made in accordance with paragraph 2(c).

**2. Conditions :**

- (a) A person resident outside Sri Lanka who is a party to a transaction permitted hereunder shall make a declaration to the effect that such person is resident outside Sri Lanka on the application form for the purchase of units.
- (b) The payment for the purchase of units in any issue or transaction permitted hereunder shall be made only out of or into a Securities Investment Account opened in any licensed commercial bank in Sri Lanka in accordance with directions given by the Controller of Exchange in that behalf to such licensed commercial banks.

- (c) A managing company, trustee, licensed commercial bank, a licensed broker or any other person entrusted with the payment of monies such as redemption proceeds, sale proceeds, monies or commissions in respect of any transaction permitted hereunder shall make such payments only into or out of a Securities Investment Account referred to in sub-paragraph (b) above.
- (d) A managing company or any other person who is entrusted with maintaining a register of unit holders or of the issue or transfer of units by any Unit Trust shall not register the names of foreign institutional investors, corporate bodies incorporated outside Sri Lanka or individuals resident outside Sri Lanka (inclusive of Sri Lankans resident outside Sri Lanka) or their nominee as a holder of units of such Unit Trust unless evidence to the satisfaction of such person is furnished that the terms and conditions applicable to such issue or transfer in terms of this notice have been complied with.

### **3. Interpretation :**

- (a) “Unit Trust”, “Managing Company”, “Trustee” and “Unit Holder” shall have the same meaning as in the Securities & Exchange Commission of Sri Lanka Act, No. 36 of 1987 as amended.
- (b) ‘Person Resident in Sri Lanka’ and ‘Person Resident outside Sri Lanka’ shall have the same meaning as in the order published under the Exchange Control Act in Gazette No. 15007 dated 21.04.1972.

Colombo

18<sup>th</sup> August, 2011

**Controller of Exchange**