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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

විනිමය පාලන දෙපාර්තමේන්තුව செலாவணிக் கட்டுப்பாட்டுத் திணைக்களம்

Exchange Control Department

7/8 මහල, අංක 30, ජනාධිපති මාවත, 7/8 மாடி, இல. 30 சனாதிபதி மாவத்தை கொழும்பு 1
 න. පෙ. 590, කොළඹ 01, ශ්‍රී ලංකාව த. பெ. இல. 590, கொழும்பு 01, இலங்கை

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Ref:06/04/01/2009

January 07, 2009

DIRECTIONS TO AUTHORISED DEALERS

Dear Sirs,

**Investment in Rupee Denominated Treasury Bonds and Treasury Bills by Sri Lankan
 Diaspora and Migrant Workforce**

Authorised Dealers are hereby informed that permission has been granted to Sri Lankans living abroad including migrant workers/businessmen; Sri Lankan professionals living in Sri Lanka and abroad who earn foreign exchange; Sri Lankan citizens with dual citizenship irrespective of their country of residence and banks acting in fiduciary capacity on behalf of the above categories, to purchase, hold and sell Rupee denominated Treasury bonds (T-bonds) and Treasury bills (T-bills) with any maturity period.

The total investment in T-bonds and T-bills should not exceed 10% of the total value of T-bonds/T-bills outstanding at any given point of time. The above categories of investors are also permitted to enter into Repo/Reverse Repo transactions using T-bonds/T-bills purchased under this scheme as collateral. However, they are not permitted to utilize funds available in NRFC or RFC accounts or any other foreign currency accounts in Sri Lanka to purchase T-bonds/T-bills under this scheme.

1. Method of Payment

The above categories of investors shall make payments for purchase of T-bonds/T-bills by inward remittances through banking system and channelled through a special rupee account named **"Treasury Bonds/Bills Investment External Rupee Account-Deshabhimani (TIERA – D)"** opened in the name of the investor. These accounts may be held by eligible individual investors or jointly by two or more eligible investors.

2. Permitted Credits to TIERA-D

- (a) Inward remittances received through banking system;
- (b) Sale proceeds realized out of sale or maturity proceeds of T-bonds/ T-bills and any income realized by way of capital gain thereof;
- (c) Interest received on T-bonds.

3. Permitted Debits to TIERA-D

- (a) Payments for investment in T-bonds/T-bills;

- (b) Payments for Lead Managers appointed by the Central Bank of Sri Lanka for this purpose and bank charges;
- (c) Transfers to any other account maintained in foreign currency or Sri Lankan rupees by the account holder;
- (d) Payments of local expenses of the account holder;
- (e) Outward remittances of sale proceeds, maturity proceeds and interest of T- bonds/T-bills or any income realized by way of capital gain thereof.

4. Reporting Requirement

Authorised Dealers are required to furnish the details of TIERA - D to this Department on daily basis via the existing on-line system under the code no. 3.

Yours faithfully,



Controller of Exchange