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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2391/02 - 2024 ජූලි මස 01 වැනි සඳුදා - 2024.07.01
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PART I : SECTION (I) — GENERAL

Central Bank of Sri Lanka Notices

CENTRAL BANK OF SRI LANKA ACT, NO. 16 OF 2023

RULES made under Section 105 read with Sections 7(1) (c) and Part VI of the Central Bank of Sri Lanka Act, No. 16 of 2023.

P. NANDALAL WEERASINGHE,
Chairperson of the Governing Board and
Governor of the Central Bank of Sri Lanka.

Central Bank of Sri Lanka,
Colombo,
01st July, 2024.

REPATRIATION OF EXPORT PROCEEDS INTO SRI LANKA

1. These Rules shall be cited as the “Repatriation of Export Proceeds into Sri Lanka Rules No. 01 of 2024” and shall come into effect on the date on which these Rules are approved by the Parliament.
2. The Central Bank of Sri Lanka, acting in terms of the provisions of Section 105 read in conjunction with the provisions of the Section 7(1) (c) and Part VI of the Central Bank of Sri Lanka Act, No. 16 of 2023, hereby issues Rules in respect of the receipt of export proceeds into Sri Lanka and the conversion of such export proceeds into Sri Lanka Rupees.



3. Every exporter of goods and /or services shall;
 - (i) mandatorily receive the export proceeds in Sri Lanka, in respect of all goods exported and /or services provided outside Sri Lanka, within one hundred and eighty (180) days from the date of shipment or provisioning of services, as the case may be and,
 - (ii) immediately upon receipt of export proceeds, forthwith submit all related documentary evidence on each and every receipt of export proceeds, in respect of every export of goods and /or services to the respective licensed bank, that receives such proceeds, in Sri Lanka.
4. Every exporter of goods, who receives export proceeds in Sri Lanka, in terms of Rule 3 above, shall mandatorily convert residual of the export proceeds received in Sri Lanka, into Sri Lanka Rupees upon utilizing such proceeds only in respect of the below mentioned **authorized payments**, on or before the tenth (10th) day of the month after expiration of three (03) calendar months including the month of receipt thereof, from the date of receipt of export proceeds.
 - (i) payments in respect of current transactions related to the export business;
 - (ii) debt servicing expenses and repayment of foreign currency loans and accommodations obtained by the exporter of goods, where such foreign currency loan/ accommodation is a permitted borrowing in terms of the Regulations, Orders and Directions issued by the Central Bank of Sri Lanka under the provisions of the Foreign Exchange Act, No. 12 of 2017 or Banking Act, No. 30 of 1988, as amended;
 - (iii) payments of dividends declared to non-resident investors and /or payments of salaries to expatriate employees who are foreign nationals or dual citizens as permitted under the Directions issued in terms of the provisions of the Foreign Exchange Act, No. 12 of 2017;
 - (iv) withdrawal in foreign currency notes or transfer of funds for travel purposes related to export business;
 - (v) payments in respect of making investments in Sri Lanka Development Bonds in foreign currency up to ten per-centum (10%) of the export proceeds, so received; and
 - (vi) payments to indirect exporters of goods and services who have commitments in foreign currency as permitted under the Directions issued in terms of the provisions of the Foreign Exchange Act, No. 12 of 2017.
5. Exporters who are not in compliance with Rule 3 above may subject to the regulatory actions and shall convert the export proceeds repatriated to Sri Lanka with immediate effect.
6. Every indirect exporter of goods and services who receive payments in foreign currency out of the export proceeds in terms of Rule 4 (vi) above, shall convert the residual of such receipts into Sri Lanka Rupees, upon utilizing the same only in respect of the authorized payments as stipulated in the Rule 4 (i) to (v), on or before the tenth (10th) day of the month after expiration of three (03) calendar months including the month of receipt thereof, from the date of such receipt.
7. All licensed banks shall require monitoring the receipts of exports proceeds in Sri Lanka, within the period stipulated in Rule 3 above and the conversion of such proceeds as required in Rules 4 and 6 above and shall at all times, maintain all necessary documentary evidence relating to, or in connection therewith.
8. Licensed banks and exporters who are permitted to access the Export Proceeds Monitoring System of the Central Bank of Sri Lanka shall ensure at all times, submission of necessary information to the said Export Proceeds Monitoring System, as may be required by the Director, Department of Foreign Exchange of the Central Bank of Sri Lanka.

9. All licensed banks and exporters/indirect exporters shall submit reports and/or statements to the Director, Department of Foreign Exchange of the Central Bank of Sri Lanka, as may be required from time to time.
10. The officers of the Central Bank of Sri Lanka may inspect or examine the reports and/or statements referred under Rule 9 above for the purpose of verifying the accuracy of such reports and/or statements.
11. The Director, Department of Foreign Exchange of the Central Bank of Sri Lanka shall have the right to initiate actions against any non-compliance with, or transgression of these Rules, by any exporter/indirect exporter or licensed bank, in respect of the export of goods and/ or services, in terms of these Rules.
12. These Rules shall apply in respect of all and every export of goods and/or services, made on or after the effective date of these Rules, and shall also apply to the export of goods and/or services, made prior to the effective date of these Rules, where the hundred and eightieth (180th) date from the date of the shipment of such goods or provisioning of services falls on any date after these Rules come into force.
13. The Director, Department of Foreign Exchange of the Central Bank of Sri Lanka shall have power to issue operating instructions to the licensed banks time to time for the prudent and efficient implementation of these Rules.
14. For the purposes of these Rules –
 - “current transactions” shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017.
 - “export proceeds” shall also include proceeds of export bills purchases (bill discounting), payments received through local agents /intermediaries for the goods and /or services exported by manufacturers/service providers and payments received in foreign exchange by a person resident in Sri Lanka for the services provided including professional, vocational, occupational or business services provided to a person resident outside Sri Lanka.
 - “Export Proceeds Monitoring System” shall mean the computerized system implemented by the Central Bank of Sri Lanka for the purpose of monitoring export proceeds repatriation into Sri Lanka.
 - “licensed banks” shall mean Commercial Banks or Specialized Banks, licensed under the Banking Act, No. 30 of 1988, (as amended).
 - “withdrawal of foreign currency notes or transfer of funds for travel purposes” shall be in terms of the Directions issued to the licensed banks by the Central Bank of Sri Lanka, under Section 9 of the Foreign Exchange Act, No.12 of 2017, in that behalf.
15. The Repatriation of Export Proceeds into Sri Lanka Rules No. 1 of 2022, issued by the Monetary Board of the Central Bank of Sri Lanka and published in the Gazette (Extraordinary) Notification No. 2270/66, dated 11th March 2022, as amended, by the Repatriation of Export Proceeds into Sri Lanka Rules No. 2 of 2022 published in the Gazette (Extraordinary) Notification No. 2292/50, dated 12th August 2022, are hereby repealed, without prejudice to anything done thereunder.

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