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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

Our Ref.: 33/04/012/0011/10

28 May 2021

To: Chief Executive Officers of All Licensed Banks

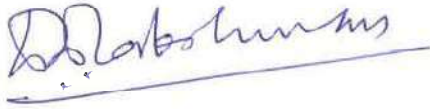
**Operating Instructions issued to Licensed Banks on “Incentive Scheme on Inward Remittances”**

This is further to the Operating Instructions issued to Licensed Banks (LBs) on “Incentive Scheme on Inward Worker Remittances” dated 22.12.2020, 01.01.2021, 27.01.2021 and 17.03.2021 (under references 33/04/012/0011/004, 33/04/012/0011/005 and 33/04/012/0011/006, 33/04/012/0011/008, respectively).

All LBs are hereby required to sell to the Central Bank of Sri Lanka, ten *per centum* (10%) of the inward worker remittances in various currencies, which are converted to LKR, in USD, under the captioned scheme, on a weekly basis, with effect from 28.05.2021, until further notice. The other requirements under paragraphs 2, 3 and 4 as specified in the previously issued Operating Instructions (under reference 33/04/012/0011/006 dated 27.01.2021 at Annexure I), shall remain unchanged.

Further, all LBs are required to diligently submit a weekly certification on the sale of inward worker remittances as given in Annexure II hereto, along with the excel worksheets to support the calculation of the same and forward the same to the e-mail [fxsales.mandatory@cbsl.lk](mailto:fxsales.mandatory@cbsl.lk), together with the sale of USD to the CBSL, for a particular working week.

For further information or clarifications, you may contact the International Operations Department of the CBSL on 0112398715, 0112477595 or on 0761754680.

A handwritten signature in blue ink, appearing to read 'Deshamanya Prof. W D Lakshman', is written above a horizontal line.

**Deshamanya Prof. W D Lakshman**  
**Governor**  
**Central Bank of Sri Lanka**

*Encl.*



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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

**Our Ref: 33/04/012/0011/006**

27 January 2021

**To: Chief Executive Officers of All Licensed Banks**

**Amendments to the Operating Instructions issued to Licensed Banks on “Incentive Scheme on Inward Remittances”**

This is with reference to the Operating Instructions issued to Licensed Banks (LBs) on “Incentive Scheme on Inward Worker Remittances” dated 22.12.2020 and 01.01.2021 (under reference numbers: 33/04/012/0011/004 and 33/04/012/0011/005), respectively.

The cost of the incentive of Rs. 2 per US Dollar (USD) as mentioned in the aforementioned Operating Instructions is borne by the Government of Sri Lanka.

Following from the above, all LBs are hereby required to sell to the Central Bank of Sri Lanka (CBSL) ten *per centum* of the inward worker remittances which are converted to LKR, in USD, as per the listed guidelines below, with immediate effect.

**1. Frequency and the Threshold of USD Sales to the CBSL**

- (a) Once ten *per centum* of total converted inward worker remittances of an LB equals USD 1.0 Mn on a particular working day, such LB is hereby required to sell to the CBSL the said amount, in USD.
- (b) Notwithstanding the provisions of paragraph 1. (a) above, every LB is required to ensure sale of ten *per centum* of the total converted inward worker remittances of such LB to the CBSL, in any given quarter, in USD.
- (c) Sale of foreign currency to the CBSL referred to in paragraphs 1. (a) and (b) above shall be made on the first working day:
  - (i) after the working day that the said ten *per centum* of the total converted inward worker remittances equal USD 1.0 Mn, or
  - (ii) after the last working day of a given quarter, whichever occurs earlier.

**2. Applicable USD / LKR Exchange Rate for Sale of USDs to the CBSL**

The volume weighted average of the USDs / LKR exchange rate shall be applicable for the sale of USD to the CBSL. In case of converted currencies other than USDs, the USD / LKR rate shall be derived, as appropriate.

**3. Tenor Basis for Settlement**

Each transaction between the CBSL and an LB shall be on "TOM (i.e.: T+1)" basis.

**4. Settlement Instructions**

In settlement, LBs are required to follow the standard USD / LKR settlement instructions. In executing, LBs are required to execute deals through "Thomson Reuters" or "Bloomberg" trading platforms. However, if any LB does not have access to such trading platforms, the said LB is required to use official e-mail as a source for deal execution.

**5. Submission of Information**

LBs are required to duly complete the following template in a "MS Excel format" named as "Remittance Conversions for the Week/Quarter ending ..... - ....." (*Name of the LB*) and are required to e-mail to [dfx@cbsl.lk](mailto:dfx@cbsl.lk) on weekly/ quarterly basis, as may be applicable.

For further information or clarification, you may contact the International Operations Department of the CBSL on 0112398711, 0112477595 or on 0761754680.



**Deshamanya Prof. W D Lakshman**  
Governor  
Central Bank of Sri Lanka

**Reporting Template**

Date Converted to LKR (dd/mm/yyyy)	Inward Remittance Currency	Equivalent USD Amount (to Nearest Whole Figure)	Applicable USD/LKR Rate
<b>Volume (USD) Weighted Average Rate Applicable to USD LKR for the Week Ending ..... (rounded to two decimal places)</b>			<b>xxx.xx</b>

----- *Corporate Letterhead* -----

Date:

Ref:

Director  
International Operations Department  
Central Bank of Sri Lanka

**Sale of 10% of Converted Workers' Remittances to the Central Bank of Sri Lanka**

We hereby certify that the information contained in the attached excel worksheet at Annexure is accurate and has been extracted and is in accordance with the books of accounts of the ..... (*name of the bank*). It contains the inward worker remittances for the week commencing from ..... to ..... for the value of USD ..... mn and accordingly, sale of USD..... mn to the Central Bank of Sri Lanka on ..... with the settlement date of .....

Signature:  
Name:  
Designation: Chief Compliance Officer

Signature:  
Name:  
Designation: Chief Financial Officer

Signature:  
Name:  
Designation: Chief Executive Officer

*(Scanned copy of the signed letter to be supported with the excel worksheet)*



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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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பன்னாட்டுத் தொழிற்பாட்டுத் திணைக்களம்  
INTERNATIONAL OPERATIONS DEPARTMENT

අංක 30, ජනාධිපති මාවත, කොළඹ 01, ශ්‍රී ලංකාව  
இல. 30, சனாதிபதி மாவத்தை, கொழும்பு - 01, இலங்கை  
No. 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka

**Frequently Asked Questions (FAQs) No. 1 of 2021 dated 28.05.2021**  
**Operating Instructions on “Incentive Scheme on Inward Remittances”**  
(under references 33/04/012/0011/006 dated 27.01.2021 and 33/04/012/0011/010  
dated 28.05.2021)

**Question 1: How often Licensed Banks (LBs) are required to sell 10% of converted inward worker remittances in USD to the Central Bank of Sri Lanka (CBSL)?**

**Answer:** On a weekly basis. A week here is referred to as regular five working days from Monday to Friday. Accordingly, LBs are required to sell such USD for a particular working week, on Friday (or the last working day) of the same week or on next working day of the following week, subject to the usual FX market holiday conventions.

**Question 2: What is the applicable tenor to sell 10% of converted inward worker remittances to the CBSL?**

**Answer:** All sales to the CBSL as per the above Operating Instructions (OIs) are required to execute on ‘Tom’ basis, where sales to the CBSL done on every Friday (or the last working day) will be settled on Monday (or the first working day) of the following week. For example, FX sales to the CBSL done on every Monday will be settled on Tuesday, subject to the usual FX market holiday conventions.

**Question 3: Any minimum amount or a threshold is applicable on weekly sale of USD to the CBSL on account of inward worker remittances?**

**Answer:** No, there is not a minimum amount. LBs are required to sell to the CBSL the absolute amount rounded-off to the nearest whole number of 10% of converted inward worker remittances during the week.

**Question 4: What should be included in the excel worksheet, that should be submitted along with the weekly certification?**

**Answer:** Date-wise and currency-wise converted inward worker remittances, respective currency exchange rate, respective cross currency exchange rate, USD equivalent amount, weighted average USD / LKR exchange rate, trade date, settlement date and the exact USD amount to be sold to the CBSL for the respective week, which should be in line with the amounts and dates reported in the weekly certification. It is recommended to check and ensure the accuracy of the calculation on the excel worksheet with the officers of the Domestic Foreign Exchange Market division of IOD (at phone Nos. 0112398715, 0112477595 or 0761754680 or e-mail: dfx@cbsl.lk), prior to execute the deal, to avoid any inaccuracies.

**Question 5: If an LB does not have any amount to be sold to the CBSL on account of converted inward worker remittances for a particular working week, what action should be taken by such LB?**

**Answer:** Such LB is required to submit the weekly certification as "NIL".

**W R M K Fernando**

Director - International Operations Department

Central Bank of Sri Lanka