



Ajith Nivard Cabraal

Governor

Central Bank of Sri Lanka

30, Janadhipathi Mawatha, Colombo 01, Sri Lanka

Ref. 33/04/012/0011/13

01 November 2021

To: Chief Executive Officers of All Licensed Banks

Amendments to the Operating Instructions issued to Licensed Banks on “Repatriation of Export Proceeds into Sri Lanka”

This has reference to the Repatriation of Export Proceeds into Sri Lanka Rules No. 5 of 2021, issued by the Monetary Board of the Central Bank of Sri Lanka (CBSL) and published in the Gazette Extraordinary No. 2251/42 dated 28.10.2021, in respect of the receipt of export proceeds into Sri Lanka and the conversion of such export proceeds into Sri Lanka rupees.

A copy of the Gazette Extraordinary No. 2251/42 dated 28.10.2021 is at Annexure I.

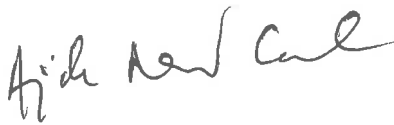
Under and in terms of the aforementioned “Repatriation of Export Proceeds into Sri Lanka Rules”, every exporter of goods and services shall mandatorily convert residual of the export proceeds received in Sri Lanka, into Sri Lanka rupees (hereinafter referred to as “LKR”), upon utilizing such proceeds only in respect of the authorized payments as specified in the aforementioned Rules, on or before the seventh (7th) day of the following month, through a licensed commercial bank or a licensed specialized bank (hereinafter referred to as “Licensed Banks”), until further notice.

Accordingly, all Licensed Banks (hereinafter referred to as “LBs”) are required to sell ten *per centum* (10%) of such residual of the export proceeds, which are mandatory to convert into LKR, as required under the aforementioned Rules, to the CBSL, in USD, on a weekly basis, with effect from 01.11.2021, until further notice.

The other requirements in the previously issued Operating Instructions (under reference 33/04/012/0011/11 dated 28.05.2021 and as specified in paragraphs 2,3,4 and 5 under reference 33/04/012/0011/0007 dated 18.02.2021) shall remain unchanged.

For further information or clarifications, you may contact the International Operations Department of the CBSL on 0112398715, 0112477084, 0112398711 or on 0112398708.

Yours sincerely,



Ajith Nivard Cabraal
Governor
Central Bank of Sri Lanka

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The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Central Bank of Sri Lanka Notices

MONETARY LAW ACT, NO. 58 OF 1949

Rules made under Section 10 (c) read with Section 68 of the Monetary Law Act, No. 58 of 1949

NIVARD AJITH LESLIE CABRAAL,
Chairman of the Monetary Board and
Governor of the Central Bank of Sri Lanka.

Central Bank of Sri Lanka,
Colombo,
28th October, 2021



REPATRIATION OF EXPORT PROCEEDS INTO SRI LANKA

1. These Rules shall be cited as the "Repatriation of Export Proceeds into Sri Lanka Rules No. 5 of 2021".
2. The Monetary Board of the Central Bank of Sri Lanka, acting in terms of the provisions of Section 68 read in conjunction with the provisions of the Section 10 (c) of the Monetary Law Act, No. 58 of 1949, as amended, 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 services shall;
 - (i) mandatorily receive the export proceeds in Sri Lanka, in respect of all goods exported 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 all and every receipt/s of export proceeds being received, forthwith submit all related documentary evidence on each and every receipt of export proceeds, in respect of every export of goods and services to the respective Licensed Commercial Bank or a permitted Licensed Specialized Bank (hereinafter referred to as a "licensed bank"), that receives such proceeds, in Sri Lanka.
4. Every exporter of goods and services, 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 seventh (7th) day of the following month,
 - i. outward remittances in respect of current transactions of the exporter of goods and services;
 - ii. withdrawal in foreign currency notes or transfer of funds for travel purpose of the exporter of goods and services;
 - iii. debt servicing expenses and repayment of foreign currency loans and accommodations obtained by the exporter of goods and services, where such foreign currency loan and 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;
 - iv. payments for purchases of goods and obtaining services by the exporter of goods and services, related to such export of goods and services including one-month commitments in foreign currency, thereof; and
 - 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.
5. Such date of conversion mentioned in Rule 4 above, shall not be a date later than the date before which the export proceeds shall be received in Sri Lanka, as required by Rule 3 (i) above (*i. e.*, not later than one hundred and eighty (180) days from the date of shipment or provisioning of services).
6. All licensed banks shall be required to strictly and mandatorily monitor 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 Rule 4 above and shall at all times, maintain all necessary documentary evidence relating to, or in connection therewith.
7. All licensed banks shall submit reports and/or statements to the Director of the Department of Foreign Exchange of the Central Bank of Sri Lanka, as may be required from time to time and shall provide unencumbered access to the officers of the Central Bank of Sri Lanka, as may be authorized by the Governor or the Deputy Governor, as the case may be, to inspect or examine the records maintained under Rule 6 above, and review all actions taken by such licensed banks in ensuring full and strict compliance with these Rules.

8. The Director of the Department Foreign Exchange of the Central Bank of Sri Lanka shall have the right to initiate action against any non-compliance with, or transgression of these Rules, by any exporter of goods or services or licensed bank, in respect of the export of goods and services, in terms of these Rules.
9. These Rules shall apply in respect of all and every export of goods and services, made on or after the effective date of these Rules, and shall also apply to the export of goods and 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.
10. For the avoidance of any doubt, and for the purposes of these Rules, "Export Proceeds" shall include such proceeds required to be repatriated into Sri Lanka, under and in terms of the Foreign Exchange (Classes of Miscellaneous Capital Transactions) Regulations No. 4 of 2021, published in the Gazette (Extraordinary) Notification No. 2213/37, dated 03 February 2021 (as amended) 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.
11. For the purposes of these Rules, the terms "Licensed Commercial Bank" and "Licensed Specialized Bank", shall have the meaning assigned to them in terms of the provisions of the Banking Act, No. 30 of 1988, as amended.
12. For the purposes of these Rules, the term "current transactions" shall have the same meaning as in the Foreign Exchange Act, No. 12 of 2017.
13. For the purposes of these Rules, the term "withdrawal of foreign currency notes or transfer of funds for travel purposes" shall be in terms of the Directions issued to the licenced banks by the Central Bank of Sri Lanka, under the Section 9 of the Foreign Exchange Act, No.12 of 2017, in that behalf.
14. The Repatriation of Export Proceeds into Sri Lanka Rules No. 1 of 2021, issued by the Monetary Board of the Central Bank of Sri Lanka and published in the Gazette (Extraordinary) Notification No. 2215/39, dated 18 February 2021, as amended by the Repatriation of Export Proceeds into Sri Lanka Rules No. 2 of 2021, published in the Gazette (Extraordinary) Notification No. 2218/38, dated 9 March 2021, the Repatriation of Export Proceeds into Sri Lanka Rules No. 3 of 2021, published in the Gazette (Extraordinary) Notification No. 2222/60, dated 9 April 2021, and the Repatriation of Export Proceeds into Sri Lanka Rules No. 4 of 2021, published in the Gazette (Extraordinary) Notification No. 2229/9, dated 28 May 2021, are hereby repealed.