

**Ref:06/04/07/2008**

Department of Exchange Control  
Central Bank of Sri Lanka  
P.O.Box 883  
Colombo 01.

July 02 , 2008

**DIRECTIONS TO AUTHORISED DEALERS**

Dear Sirs,

**Non-Resident Blocked Accounts**

Authorised Dealers are hereby granted permission for outward remittance of the total balance standing to the credit of existing non-resident blocked accounts as at 1<sup>st</sup> July, 2008 to the account holders or their legitimate beneficiaries subject to the following:-

- (i). Submission by the Authorised Dealer of the details of such blocked accounts, i.e., name, amount, address in the country of residence of the account holder, to the Controller of Exchange and receiving an acknowledgement from the Controller of Exchange for the same prior to release of the balance; and
  - (ii). Submission by the account holder to the Authorised Dealer of a Tax Clearance Certificate from the Department of Inland Revenue in respect of the amount under remittance.
2. Any outward remittance to or on behalf of an emigrant should be made through the blocked account maintained in the name of the emigrant.
  3. Permission is also granted for the following transactions with regard to deposits made after 1<sup>st</sup> July 2008 in existing blocked accounts or new blocked accounts opened and maintained in terms of the relevant provisions of the Exchange Control Act.
    - (i). Outward remittance of funds equivalent to a maximum of US\$ 20,000 per annum out of capital or any income derived by blocked account holders from all sources such as investments in real and financial assets, superannuation benefits, claims on insurance policies and rent received etc.. on production of relevant

documentation regarding the source of income of the account holder, provided that such remittance in aggregate of all blocked accounts maintained with all Authorised Dealers by the account holder shall not exceed US\$ 20,000 per annum and the account holder shall submit an Affidavit duly stamped and attested by a Justice of Peace declaring that no remittance has been made or will be made in excess of the permitted limit of US\$ 20,000 per annum.

(ii). Disbursement in Sri Lanka for any purpose including investments in Sri Lanka.

4. The permissions granted above shall not be applicable to any accounts or amounts that have been blocked or that will be blocked in terms of instructions specifically issued by the Controller of Exchange.
5. The Authorised Dealers may pay interest on balances in blocked accounts as per agreement with the account holders.
6. The Authorised Dealers are requested to submit the completed Form 4 to the Exchange Control Department on a weekly basis in respect of sale of foreign exchange for outward remittances and a consolidated statement of outward remittance of foreign exchange under blocked accounts on a monthly basis not later than the 1<sup>st</sup> week of the following month as per the attached format.
7. Operating Instructions previously issued relating to Non-Resident Blocked Accounts are hereby rescinded.
8. Interpretation-  
'blocked account' here means accounts opened and maintained with an Authorised Dealer for making a payment or placing of any sum to the credit of a non-resident in terms of section 31 of the Exchange Control Act.

Yours faithfully,

**Controller of Exchange**

**Consolidated Statement of Outward Remittance of Blocked Account Funds  
for the Month of.....**

| <i>in USD</i>   |        |
|---|--------|
| Item  | Amount |
| 1. Total remitted from 2 <sup>nd</sup> July 2008 to end of the month..... |        |
| 2. Total remitted during the month* .....                                 |        |

\*Includes outward remittance of the balance as at July 1, 2008  
and subsequent remittances subject to the annual limit of US\$ 20,000

Authorised Officer.....

Name & Address of the  
Authorised Dealer.....

**Contact Details:**

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Exchange Control Department  
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