

PRESS RELEASE

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இலங்கை மத்திய வங்கி
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CENTRAL BANK OF SRI LANKA

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Speculation that worker remittances will be forcibly converted into Sri Lankan Rupees under the proposed Securitised Financing Arrangement (SFA) is completely unfounded

Unfounded speculation is being spread by parties with vested interests that the recently announced request for proposals (RFP) in relation to the Securitised Financing Arrangement (SFA) is aimed at converting all worker remittances into Sri Lankan rupees upon receipt by licensed banks.

The Central Bank of Sri Lanka (CBSL) categorically states that there is no truth whatsoever in this allegation.

Since 28 May 2021, licensed banks are expected to sell to the CBSL 10 per cent of voluntary conversions of worker remittances into Sri Lankan rupees on the strength of the additional Rs. 2 incentive provided by the Government on such conversions.

While a RFP has now been launched to explore the possibility of securitising this already existing flow to the Central Bank, the SFA will have no impact on any worker remittance, which can continue to be freely retained in foreign currency accounts in Sri Lanka or converted into Sri Lankan rupees as done in the past.

Accordingly, the general public is requested to remain vigilant and not to be misled by such false information.

In the meantime, in collaboration with the Government, the CBSL will continue to facilitate the enhancement of worker remittances by incentivising funds remitted through formal channels, as previously announced.