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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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

RTI 04

Dr. Kavan U. Ratnatunga
13, Vihara Road
Mount Lavinia

Decision to Provide Information

Registration Number of the Request: 0123/2023

Date Request Received: 20.04.2023

Name of the public authority: Central Bank of Sri Lanka

This is to inform you that in accordance with Section 25 (1) of the Right to Information Act, No. 12 of 2016 (RTI Act), we have decided to provide you with the information for the request dated 20.04.2023 with the registration number of RTI 0123/2023 and such information is attached at 'Annex A' hereto.

If you are not satisfied with the information provided above, you may prefer an Appeal to the Designated Officer within two weeks by RTI 10 form. Name and address of the Designated Officer is given below.

Designated Officer: -

Name: Dr. P. Nandalal Weerasinghe

Designation: Governor

Address: Central Bank of Sri Lanka, No 30, Janadhipathi Mawatha, Colombo 01.

Contact details: 011-2477000

Email: RTI@cbsl.lk

Yours faithfully,

Information Officer

Name: K.M.A.N. Daulagala

Designation: Deputy Governor

Date: 08.06.2023

RTI Information Request No. 0123/2023: Dr. Kavan U Ratnatunga

Response to Query No. 1:

- i. In terms of the Foreign Exchange Regulations published in the Government Gazette (Extraordinary) Notification No. 2170/04 dated 08 April 2020 (link: <https://www.dfe.lk/web/images/rdevelopment/49bd4b63013c89bf7be9782a36c8d42d-2170-04-E.pdf>), maturity proceeds of Special Deposit Accounts (SDAs) are freely convertible and repatriable outside Sri Lanka.
- ii. In terms of Foreign Exchange Regulations published in the Government Gazette (Extraordinary) Notification No. 2196/22 dated 06 October 2020 (link: <https://www.dfe.lk/web/images/rdevelopment/e6f6e7ea3b05c7416baa2708ff93f94d-2196-22-E.pdf>), permission has been granted to continue SDAs beyond the designated date of maturity, as normal deposits. Such deposits are only eligible to receive interest rates offered by the Authorized Dealers (National Savings Bank and Licensed Commercial Banks) for normal term deposits. Funds held in such SDAs can be freely convertible and repatriable outside Sri Lanka at the maturity.

Response to Query No. 2:

- i. In terms of the Foreign Exchange Regulations published in the Government Gazette (Extraordinary) Notification No. 2170/04 dated 08 April 2020 (link: <https://www.dfe.lk/web/images/rdevelopment/49bd4b63013c89bf7be9782a36c8d42d-2170-04-E.pdf>), maturity proceeds of SDAs are freely convertible and repatriable outside Sri Lanka.
- ii. At the maturity of SDAs, SDA holders have the following options.
 - (i) Repatriation of maturity proceeds outside Sri Lanka.
 - (ii) Transfer the maturity proceeds of SDA to a rupee account of SDA holder, in case the SDA holder is a resident.
 - (iii) Retaining the maturity proceeds in Sri Lanka by transferring the same to Personal Foreign Currency Accounts (PFCAs) or Inward Investment Accounts (IIAs) or accounts maintained with Offshore Banking Units (OBUs), only if SDA holder is eligible to open such accounts as per the Directions issued to ADs on the same. Utilization of funds transferred to PFCAs and IIAs are subject to Regulations, Orders and Directions issued under the Foreign Exchange Act, No. 12 of 2017.

Reference: Directions No. 25 of 2021 dated 08 July 2021.(link:<https://www.dfe.lk/web/images/rdevelopment/a9f92eda653c08a6ac9e0e1b4c4988e1-Direction-No-25-of-2021.pdf>),

- (iv) Retaining the maturity proceeds in the form of normal SDAs, with interest rate offered by Authorised Dealers. These deposits are not eligible for additional interest granted by the Central Bank of Sri Lanka.

Reference: Foreign Exchange Regulations published in the Government Gazette (Extraordinary) Notification No. 2196/22 dated 06 October 2020 (link:<https://www.dfe.lk/web/images/rdevelopment/e6f6e7ea3b05c7416baa2708ff93f94d-2196-22-E.pdf>).

Response to Query No. 3:

A summary of transactions on SDAs as of 31 December 2022 has been published in the **Table 8.24 of the Chapter 8 of the 'Annual Report of the Central Bank of Sri Lanka - 2022'** (link: https://www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2022/en/12_Chapter_08.pdf).