

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Issued By Department of Foreign Exchange

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New Order issued relaxing certain limitations/suspensions imposed on outward remittances of foreign exchange

With a view to assist and maintain the financial system stability by minimizing the pressure on the exchange rate and preserving the foreign currency reserve position of the country, the Hon. Minister of Finance has issued Orders under Section 22 of the Foreign Exchange Act, No. 12 of 2017 (FEA) since 02.04.2020, to temporarily suspend/limit certain outward remittances.

Considering the current and expected developments in the domestic foreign exchange market and with a view to further facilitate international transactions, the Hon. Minister of Finance, with the recommendation of the Monetary Board of the Central Bank of Sri Lanka and the approval of the Cabinet of Ministers, has issued a new Order under Section 22 of the FEA. This Order has relaxed certain limitations on outward remittances for capital transactions and removed the restrictions on current transfers of emigrants, while continuing the other suspensions/limitations which were imposed under the previous Order. The new Order is effective for six (06) months from 28.06.2023. The summary of the suspensions/limitations so relaxed are indicated in Table below.

S/N	Subject Area	Limit under the previous Order	Limit under the new Order
1	First time claim of migration allowance.	Up to a maximum of USD 30,000*.	Up to a maximum of USD 50,000*.
2	Subsequent claims after the initial claim of migration allowance.	Up to a maximum of USD 10,000*.	Up to a maximum of USD 20,000*.
3	Repatriation of current income or accumulated current income of the emigrants.	Up to a maximum of USD 30,000*.	Removed the limitation.

S/N	Subject Area	Limit under the previous Order	Limit under the new Order
4	<p>Overseas investments through Outward Investment Accounts (OIAs) by eligible resident investors:</p> <p>i. An additional investment to be made in already established subsidiaries or branch offices incorporated/registered overseas, for the purpose of working capital requirement of the investee.</p> <p>ii. Invest in ordinary shares of a company outside Sri Lanka, for the purpose of expanding their core business in overseas.</p> <p>iii. Set up overseas offices.</p>	<p>Up to a maximum of USD 15,000*.</p> <p>Suspended.</p> <p>Suspended.</p>	<p>Up to a maximum of USD 30,000*.</p> <p>a) Companies listed in the Colombo Stock Exchange (CSE) - up to a limit of USD 200,000*.</p> <p>b) Companies not listed in the CSE - up to a limit of USD 100,000*.</p> <p>Up to a limit of USD 100,000*.</p>
5	Outward remittances on capital transactions via Business Foreign Currency Account.	Up to a maximum of USD 20,000*.	Up to a maximum limit of USD 100,000*, for the purpose of expanding their core business overseas.
6	Outward remittances by companies incorporated in Sri Lanka, being subsidiaries or branch offices of overseas companies, to make investments in Employee Share Ownership Plan/ Employee Share Option Scheme.	Suspended.	Removed the suspension.

**Or equivalent in any other designated foreign currency.*

Further information on the above can be accessed by referring the Order published in the Gazette (Extraordinary) Notification No. 2338/40 dated 28 June 2023, via the official website of the Department of Foreign Exchange, www.dfe.lk.