



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය

අති විශේෂ

The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

අංක 2270/66 - 2022 මාර්තු මස 11 වැනි සිකුරාදා - 2022.03.11
No. 2270/66 - FRIDAY, MARCH 11, 2022

(Published by Authority)

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,
11th March, 2022.

REPATRIATION OF EXPORT PROCEEDS INTO SRI LANKA

1. These Rules shall be cited as the “Repatriation of Export Proceeds into Sri Lanka Rules No. 1 of 2022”.
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/ or services shall;
 - (i) mandatorily receive the export proceeds in Sri Lanka, in respect of all goods exported and/ 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/ or 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/ or 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 for current transactions related to the particular export of goods and/ or services including one-month commitments therein;
 - ii. withdrawal in foreign currency notes or transfer of funds for travel purposes related to export of goods and/ or services;
 - iii. debt servicing expenses and repayment of foreign currency loans and accommodations obtained by the exporter of goods and/ or 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, including one-month loan commitments;
 - iv. payments of dividends declared to non-resident investors and/ or payments of salaries to expatriate employees who are foreign nationals or dual citizens as permitted under the provisions of the Foreign Exchange Act, No. 12 of 2017;
 - 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 and;
 - vi. payments to local suppliers permitted under the provisions of the Foreign Exchange Act, No. 12 of 2017 for the purchases related to the particular export of goods and/ or services.
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. Every local supplier, who receives payments in foreign currency out of the export proceeds in terms of Rule 4 (vi) above, shall mandatorily convert the residual of such receipts into Sri Lanka Rupees, upon utilizing the same only in respect of the authorized payments as stipulated in items (i) to (v) of the Rule 4 above, on or before the seventh (7th) day of the following month.
7. The Monetary Board may, at its discretion, grant exemptions to any or all of the requirements under these Rules only in respect of exporters of goods and/ or services registered as ‘Strategic Development Projects’ with the Board of Investment of Sri Lanka under the Strategic Development Projects Act, No. 14 of 2008, as amended, on a case-by-case basis.
8. 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 Rules 4 and 6 above and shall at all times, maintain all necessary documentary evidence relating to, or in connection therewith.

9. 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 8 above, and review all actions taken by such licensed banks in ensuring full and strict compliance with these Rules.
10. 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/ local supplier or licensed bank, in respect of the export of goods and/ or services, in terms of these Rules.
11. These Rules shall apply in respect of all and every export of goods and/ or services, made on or after the effective date of these Rules, and shall also apply to the export of goods and/ or 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.
12. 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, proceeds of export bills purchases (bill discounting), payments received through local agents/ intermediaries for the goods and/ or services exported by local service providers/ local manufacturers 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.
13. 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.
14. 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.
15. 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.
16. 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 and published in the *Gazette Extraordinary* Notification No. 2251/42, dated 28 October 2021, is hereby repealed.

EOG 03-0843