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The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Central Bank of Sri Lanka Notices

NOTICE UNDER THE EXCHANGE CONTROL ACT (CHAPTER 423 OF THE CLE)

Permission in Terms of Sections 7, 10, 11 and 15 of the Exchange Control Act

1. PERMISSION is hereby granted for the purposes of Sections 7, 10, 11 and 15 as applicable of the Exchange Control Act (Chapter 423 of the CLE) to foreign country funds, regional funds or mutual funds approved by the Securities and Exchange Commission of Sri Lanka, corporate bodies incorporated outside Sri Lanka and citizens of foreign states for purchasing, transferring and making payments in respect of transactions of Sri Lanka Rupee Denominated Treasury Bonds (T bonds) subject to the conditions hereinafter set out.

2. Conditions.—

- (a) Any T Bonds to be purchased by the above categories of foreign investors should be through the primary and secondary markets by utilising existing public debt system. Foreign investor who purchased such a T bond is in a position to sell or transfer this T bond to any person, whether a resident in Sri Lanka or a resident outside Sri Lanka, in the secondary market without any holding period.
- (b) The payment for T bonds issued by the Government of Sri Lanka in any issue or transaction permitted hereunder shall be made only out of or into a “Treasury bond Investment External Rupee Account” (TIERA) opened in a commercial bank in Sri Lanka in the name of the foreign investor.
- (c) A commercial bank, or a licensed primary dealer or a broker or any other person entrusted with the payment of capital monies such a sale proceeds of T bonds and interest on such T bonds in respect of any transaction permitted hereunder shall make such payment only into or out of a Treasury Bond Investment External Rupee Account referred to in sub-paragraph (b) above.
- (d) Funds in a TIERA is freely remittable without any restriction after meeting local liabilities of the account holder, if any.

Interpretation : For purpose of this general permission ;

“foreign investors” shall include the following categories of investors :

- (a) Foreign country funds, regional funds or mutual funds approved by the Securities and Exchange Commission of Sri Lanka ;
- (b) Corporate bodies incorporated outside Sri Lanka ; and
- (c) Citizens of foreign states.

D. WASANTHA,
Controller of Exchange.

Colombo,
22nd January, 2007.

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