

1. Nature of the product

Foreign Currency Business Account.

2. Benefits to the customers

2.1 Attractive Interest Rates

2.2 Please refer to <https://www.peoplesbank.lk/interest-rates/> for latest interest rates

2.3 100 % protection on your investment

2.4 Inward remittances credited to Accounts free of charge

3. Eligibility

3.1 The following persons resident in, Sri Lanka who earn foreign exchange from a resident outside Sri Lanka:

- i. An individual resident in Sri Lanka.
- ii. A sole proprietorship or partnership registered in Sri Lanka where the proprietor or majority of partners are resident in Sri Lanka (in case of a partnership with two partners, at least one partner shall be a resident in Sri Lanka).
- iii. A company incorporated in Sri Lanka
- iv. A company incorporated outside Sri Lanka which is registered as an overseas company under the Companies Act No 7 of 2007.
- v. A State Institution with the recommendation of the Secretary to the relevant line Ministry or appropriate Authority.
- vi. An administrator or executor of the estate of a deceased person, who maintained a BFCA with the Bank, until the completion of the administration of the deceased person's estate; and
- vii. A receiver or liquidator, of a company that maintained a BFCA with the Bank, until proceedings are concluded.

3.2 Non –Governmental organization shall not be permitted to open and maintain a Business Foreign Currency Account (BFCA)

4. Procedures to be followed to open the account.

4.1 For individuals, account opening application, a photocopy of National Identity Card or Passport (Pages depicting photo, details and alterations), Know Your Customer (KYC) Forms, FATCA Declaration and any other documents stipulated by the Bank from time to time.

4.2 In respect of Sole Proprietorships, Partnerships and Companies, account opening application and identification documents as appropriate, KYC Forms, Foreign Account Tax Compliance Act (FATCA) Declaration and any other documents stipulated by the Bank from time to time.

4.3 Documents evidencing their eligibility to open BFCA as relevant.

4.4 Category of Persons

- I. Exporters of goods (Merchandise)
- II. Exporters of professional services
- III. Persons who engage in the business of Entrepot trade as intermediaries
- IV. Travel Agents and Tour Operators
- V. Hotels and Restaurants
- VI. Gem and Jewellery Dealers
- VII. Foreign Employment Agencies
- VIII. Freight Forwarders and Other logistic service providers licensed/authorized by Director General of Merchant Shipping of Sri Lanka
- IX. Shipping Agents licensed/authorized by Director General of Merchant Shipping of Sri Lanka
- X. General Sales Agents licensed/authorized by Director General of Civil Aviation Authority of Sri Lanka
- XI. Bunker operators licensed by the relevant line Ministry.
- XII. Port Terminal Operators
- XIII. Airline Terminal service providers
- XIV. Food and Beverages suppliers to Shipping lines and Airlines.
- XV. Duty free shops (who engage in permitted business to supply goods and services under duty free concessions)
- XVI. Indirect exporters of goods who comply with the requirements and/ or recommendations of Board of Investment of Sri Lanka or Export Development Board or registered under Temporary Import & Export Processing (TIEP) scheme and importing goods for process and supply such goods to the direct exporters.
- XVII. Enterprises engaged in business activities in Sri Lanka which are permitted to sell goods/products to the domestic market in terms of the paragraph 2(I) of the Finance Act - Commercial Hub Regulation No. 01 of 2019, as amended.

5. Check List for Documentary Requirement for opening BFCA

5.1 Duly completed account opening application

- a) Account Opening Application for an Individual Business Account - English
https://www.peoplesbank.lk/roastoth/2021/12/550_New_2018-E.pdf
- b) Account Opening Application for a Limited Liability Company - English
<https://www.peoplesbank.lk/roastoth/2022/10/235-eng.pdf>
- c) Account Opening Application for Sole Proprietorship - English
https://www.peoplesbank.lk/roastoth/2023/10/232-Sole-Proprietorship_english.pdf
- d) Account Opening Application for a Partnership - English

https://www.peoplesbank.lk/roastoth/2023/10/229_Partnership-_eng.pdf

- 5.2 Signature cards (Witnessed by the company secretary/relevant authority) from all Authorized Signatories.
- 5.3 Individual KYC and FATCA forms from all Directors and Authorized Signatories.
- 5.4 Certified copies of Passports/NIC from all Directors/Authorized Signatories/Sole Proprietor/Partners.
- 5.5 Beneficial Ownership forms from all Share Holders. (applicable for a Limited Liability Company)
- 5.6 E-statement Application.
- 5.7 Letter of Indemnity (optional)
- 5.8 Copy of Certificate of Incorporation / Business Registration/ Partnership Registration-Certified by the Company Secretary.
- 5.9 Directors/authorized signatories' name list with their signatures (in the company letterhead)
- 5.10 Copy of Articles of association, Form 01 or Form 20, Form 15 (applicable for a Limited Liability Company)
- 5.11 Board Resolution on the company letterhead (applicable for a Limited Liability Company)
 - a) Opening of account with People's Bank Overseas Customer services/ Respective Branch
 - b) Operating instructions of the BFCA
 - c) Authorized E-mail address for E-statement facility
 - d) Details of the Power of Attorney (if any)
- 5.12 Acceptable proof document to verify the Foreign Exchange Business according to the Category of Persons above.

6. Minimum Balance Requirement

Currency	Savings & Current Accounts	Fixed Deposit Accounts
USD	100/-	1,000/-
GBP	100/-	750/-
EUR	100/-	1,000/-
AUD	150/-	1,350/-
CAD	150/-	1,300/-
SGD	150/-	1,500/-
JPY	12,000/-	110,000/-
HKD	800/-	8,000/-
NZD	150/-	1,500/-
CHF	100/-	1,000/-
SEK	900/-	9,000/-
DKK	700/-	6,500/-
NOK	900/-	8,750/-
CNY	700/-	6,750/-
THB	3,300/-	33,000/-
INR	8,000/-	80,000/-

6.1 a) BFCA Savings/Current account can be opened without an initial deposit.

b) Account with no operation for more than 2 years will be transferred to dormant category.

c) Account with zero balance for more than one year will be closed automatically.

7. General

7.1 BFCA can be opened and maintained in the form of Savings, Current (without cheque drawing facility) or Fixed Deposit accounts in any designated foreign currency, i.e. USD, GBP, EUR, AUD, CAD, HKD, SGD, JPY, SEK, NZD, DKK, NOK, CNY, CHF, THB and INR

7.2 Shall obtain documentary evidence including the authorization by the relevant authority/ies, if any, at the time of opening a BFCA to determine the applicant's eligibility to open and maintain a BFCA in respect of earnings in foreign exchange from a person resident outside Sri Lanka.

7.3 A BFCA shall not be overdrawn, except by way of an overdraft Facility granted under the CBSL Direction No. 09 of 2021 dated 2021.03.18 on Accommodations to BFCA holders.

7.4 Banks should not credit BFCAs with charges and deposits that are collected as local Fees or charges which are not components of freight, where the account holder is a shipping agent or General Sales Agent (GSA) licensed by the Director General of Merchant Shipping or Director General of Civil Aviation Authority of Sri Lanka respectively.

7.5 Under no circumstances Sri Lanka Rupees shall be converted into foreign currency and be credited into a BFCA.

8. Permitted Credits

- 8.1** Remittances received in foreign exchange from abroad through the banking system in respect of, export of goods and services, entrepot trade, overseas projects undertaken by the account holder and goods and services supplied locally to a person resident outside Sri Lanka;
- 8.2** Foreign exchange accepted by the account holder in Sri Lanka in respect of goods and services supplied by such person to a person resident outside Sri Lanka;
- 8.3** Foreign exchange brought into Sri Lanka by the account holder on a declaration to the Department of Customs where such foreign exchange exceeds USD 15,000 or its equivalent in other foreign currencies or an appropriate declaration to the Bank where such foreign exchange is less than or equals USD 15,000 or its equivalent in other foreign currencies;
- 8.4** Transfers from a Personal Foreign Currency Account (PFCA), BFCA or an account maintained in the Offshore Banking Unit (OBU) of the same account holder;
- 8.5** Transfers from an account maintained in the OBU of a person resident outside Sri Lanka in respect of a current transaction;
- 8.6** Where the account holder is a local shipping/ airline company; transfers from PFCA of a citizen of Sri Lanka working abroad (employee) in vessels/ aircrafts owned by the account holder being overpayment of crew salaries/ wages and other related payments due from such employee;
- 8.7** Transfers from a Diplomatic Foreign Currency Account (DFCA) of a person resident outside Sri Lanka, in respect of the supply of goods and services;
- 8.8** Where account holder is a shipping agent or a General Sales Agent (GSA) in Sri Lanka; remittances received in foreign exchange through the banking system from the respective foreign principal or from a designated third party on behalf of the foreign principal for the purposes under the respective agency agreements;
- 8.9** Where account holder is a shipping agent or a GSA in Sri Lanka; freight and passenger fares collected in foreign exchange by the agent on behalf of the foreign principal, by way of a bank transfer or bank draft issued by the Bank in Sri Lanka against a BFCA or an account maintained in the OBU;
- 8.10** Where the account holder is a company incorporated in Sri Lanka which has arrangements with an overseas employer for disbursement of wages and/or earnings to Sri Lankan citizens who are rendering services outside Sri Lanka; remittances received in foreign exchange from abroad through the banking system from the respective overseas employers or transfers from an account maintained in the OBU of such overseas employer;

- 8.11** Payments received in foreign exchange by the account holder who is carrying permitted business under duty-free concessions, being consideration for goods or services supplied to passengers (irrespective of the residential status) arriving in or departing from Sri Lanka at a port or airport in Sri Lanka;
- 8.12** Any income or capital proceeds of any foreign asset of the account holder, where such asset had been acquired by debiting the BFCA;
- 8.13** Transfers from an Outward Investment Account (OIA) being any income or capital proceeds received from outward investments, where such investments had been made by debiting the BFCA of the same account holder or by utilizing the funds transferred to an OIA from the BFCA of the same account holder, proportionately to the contributions;
- 8.14** Transfers from an OIA of another person (i.e. buyer) being proceeds from the sale of a permitted investment in overseas to such buyer, where the original investment had been made by debiting the same BFCA of the account holder;
- 8.15** Coupon income, sale/ maturity proceeds and any other related receipts arising from investments made in Sri Lanka Development Bonds (SLDBs) in foreign currency, if the original investment in SLDBs had been made by debiting the BFCA of the account holder;
- 8.16** Unutilized foreign currency obtained by the account holder debiting the BFCA in terms of the points 5,6 and 7 under Permitted Debits.
- 8.17** Unutilized balance remaining in the Foreign Travel Card (FTC) of the account holder, up to the amount such FTC had been funded from the same BFCA of the account holder;
- 8.18** Where the account holder is an Insurance company regulated by the Insurance Regulatory Commission of Sri Lanka (IRCSL); insurance premia received on foreign currency denominated insurance policies issued to eligible customers and co-insurers and claims received from re-insurers and National Insurance Trust Fund (NITF);
- 8.19** Where the account holder is an employer; transfers from a PFCA of a non-national or a dual citizen employed in Sri Lanka (i.e. employee) being overpayment of salaries, employment and retirement benefits or any other payment due from such employee;
- 8.20** Where the account holder is a property developer; transfer of funds from an Inward Investment Account (IIA) of a person resident outside Sri Lanka (i.e. investor) being payments received from sale of immovable property to such investor;
- 8.21** Where account holder is a property developer; transfer of funds from a Foreign Currency Loan Account (FCLA) being payments received from a Sri Lankan resident outside Sri Lanka on Permanent Residency visa in another country or a dual citizen, as permitted by the Directions No. 11 of 2021 dated 18 March 2021;

- 8.22** Remittances originating outside Sri Lanka from the account holder in terms of Section 8(3) of the Foreign Exchange Act (FEA)
- 8.23** Transfers from other BFCAs or accounts maintained in the OBU in respect of supply of goods and services by the account holder being a category of persons listed above under Category of Persons.
- 8.24** Interest earned in foreign currency on the funds held in the account.
- 8.25** In the event where account holder is a local educational institution; transfers from the Personal Foreign Currency Accounts of Sri Lankans employed abroad (other than emigrants) being receipts of course or tuition fees in respect of their immediate family members enrolled as students.
- 8.26** Earnings / payments in foreign exchange received by the account holder, who is an eligible person to open and maintain BFCAs in terms of sub-paragraph (3) of Paragraph 2 of the Schedule of the Regulations in FEA, from a foreign currency account of an authorized person who is permitted to engage in business in and from the area of authority of the Colombo Port City in accordance with the provisions of the Colombo Port City Economic Commission Act, No. 11 of 2021.

9 Permitted Debits

- 9.1** Any outward remittances made outside Sri Lanka in respect of current transactions and capital transactions of the account holder.
- 9.2** Disbursements in Sri Lanka in Sri Lanka Rupees.
- 9.3** Transfers to a PFCA, BFCA or an account maintained in the OBU of the same account holder.
- 9.4** Transfers to an account maintained in the OBU of a person resident outside Sri Lanka in respect of a current transaction.
- 9.5** Withdrawal in foreign currency notes up to USD 5,000 (or equivalent in any other foreign currency) or transfer of funds for uploading an FTC for travel purpose of the account holder in terms of the Central Bank of Sri Lanka (CBSL) Direction No. 02 of 2021 dated and relevant circulars on Current transactions.
- 9.6** Withdrawal in foreign currency notes up to USD 50,000 (or equivalent in any other foreign currency) at a time by Gem and jewelry dealers for the purpose of purchasing cut and polished or rough gemstones and other raw materials abroad upon submission of confirmation obtained from the National Gem and Jewelry Authority.
- 9.7** Where account holder is a shipping agent or a GSA in Sri Lanka; withdrawal in foreign currency notes up to USD 50,000 (or equivalent in any other foreign currency) per vessel per call as Cash-to-Masters, against inward remittance received from the foreign principal or from designated third parties on behalf of the foreign principal, on a request with the reasons acceptable to the Bank.

- 9.8** Transfers to External Commercial Borrowing Account (ECBA) of the same account holder (i.e. borrower) for the purpose of repayment/ service of a foreign currency loan obtained from a lender in overseas.
- 9.9** Debt servicing expenses and repayment of foreign currency accommodations obtained by the account holder from a Bank including transfer of funds to a BFCA Loan Account.
- 9.10** Transfers to an IIA of a lender in overseas, being repayment of foreign currency loans obtained from such lender during the period from 20th November 2017 to the date of these Directions by the account holder (i.e. borrower).
- 9.11** Transfers in respect of making investments in SLDBs in foreign currency utilizing funds in the BFCA of the account holder.
- 9.12** Transfers to an OIA of another person (i.e. seller) being payments for purchase of a permitted investment in overseas which have been made by the seller through the same OIA.
- 9.13** Where account holder is an Insurance company registered with the IRCSL; payments of claims to eligible customers and co-insurers in respect of foreign currency denominated policies, premia to local or overseas re-insurers and NITF and brokerage charges.
- 9.14** Where account holder is an investee, tenant, lessee or a buyer, transfers to an IIA being payments of any income or capital proceeds attributed to capital transactions in Sri Lanka of such holder of the IIA, as permitted under the Regulations and Directions issued under the FEA applicable for IIAs.
- 9.15** Where account holder is a company incorporated in Sri Lanka which has arrangements with an overseas employer for disbursement of wages and/ or earnings to Sri Lankan citizens who are rendering services outside Sri Lanka; transfers to PFCAs or Sri Lanka Rupee accounts of the respective employees.
- 9.16** Where account holder is local shipping/ airline company; transfers to PFCAs of Sri Lankan citizens working abroad in the vessels/ aircrafts owned by such shipping/ airline company being payment of crew salaries/ wages and other related employment benefits.
- 9.17** Transfers to other BFCAs or accounts maintained in the OBU in respect of purchase of goods and obtaining services by the account holder being a category of persons listed above under "Category of Persons".
- 9.18** Outward remittance of funds for any purpose of the account holder being an individual, where such funds have been remitted to Sri Lanka in terms of the Section 8 (3) of the FEA
- 9.19** Transfer of earnings in foreign exchange to the Special Foreign Currency Account (SFCA) opened in terms of CBSL Direction No, 26 of 2021 dated 30th July 2021 by the account holder, for making payments of any income or maturity proceeds attributed to investments made by the eligible investors in respect of listed shares or debt securities denominated in designated foreign

currency on the Colombo Stock Exchange, as permitted under the regulations.

10. Fees and Charges

Please refer below for Rates and Tariff.

<https://www.peoplesbank.lk/roastoth/2024/10/Foreign-English.pdf>