

Outward Investment Accounts (OIA)

1. Nature of the product

For capital transactions undertaken outside Sri Lanka by a person resident in Sri Lanka.

2. Benefits to the customers

Interest Rate

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

3. Eligibility

- 3.1 Companies incorporated in Sri Lanka under the Companies Act, No. 7 of 2007 other than a company limited by guarantee.
- 3.2 A Licensed Commercial Bank or Licensed Specialized Bank, in terms of the Banking Act No 30 of 1988.
- 3.3 Regulated/ licensed entities (excluding the eligible investors under 3.1 and 3.2 above), under the Central Bank, Securities Exchange Commission, Insurance Regulatory Commission of Sri Lanka.
- 3.4 Employees' Provident Fund established under the Employees' Provident Fund Act No. 15 of 1958 or Approved Provident Funds declared by the Commissioner General of Labor.
- 3.5 A partnership registered in Sri Lanka; and
- 3.6 An individual resident in Sri Lanka or/with a sole proprietorship registered in Sri Lanka by such individual (as applicable).

4. General

- I. OIA can be opened and maintained as Savings or Fixed Deposit (out of the returns derived from an outward investment) or Current (without overdrawing facility and cheque drawing facility) accounts as a foreign currency account in any designated foreign currency i.e. USD, GBP, EUR AUD, CAD, HKD, SGD, JPY, SEK, NZD, DKK, NOK, CNY, CHF, THB and INR.
- II. OIAs shall be held as sole accounts. OIAs may be held as joint accounts by individual persons with a sole proprietorship registered in Sri Lanka by such individual.

4.1 Procedures to be followed to open the account.

- a) For individuals, account opening application, a photocopy of National Identity Card or Passport (paged depicting photo, details and alterations) KYC forms, FATCA declaration and any other documents stipulated by the Bank from time to time.
- b) For partnerships and companies, account opening application and identification documents as appropriate, KYC forms, FATCA declaration and any other documents stipulated by the Bank from time to time.

4.2 Minimum Balance Requirement

Currency	Savings Accounts	Fixed Deposit Accounts
USD	100/-	1000/-
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	3300/-	33,000/-
INR	8000/-	80,000/-

5. Permitted Credits

- 5.1 Sri Lanka Rupees converted into foreign currency, to the extent such limits specified for outward investments, in the regulations or the special permissions granted in terms of the provisions of the repealed Exchange Control Act or FEA.
- 5.2 Transfers from Business Foreign Currency Accounts or Personal Foreign Currency Accounts or OIA, of another person (i.e., buyer) being sale proceeds of an outward investment made through the same OIA.
- 5.3 Transfers of proceeds of the loans obtained from a foreign lender by the account holder through an External Commercial Borrowing Account of the account holder, for the purpose of financing outward investments permitted in terms of the provisions of the repealed Exchange Control Act or the FEA.
- 5.4 Transfers of proceeds of the loans obtained from a foreign lender by licensed commercial banks/ licensed specialized banks/ State Owned Enterprises, from an account outside Sri Lanka or an Inward Investment Account or an account maintained in the Offshore Banking Unit (OBU), of the lender, for the purpose of financing outward investments permitted in the regulations or in terms of the provisions of the repealed Exchange Control Act or FEA.
- 5.5 Transfer of proceeds of the loans obtained from a foreign lender by licensed commercial banks/ licensed specialized banks, from the Nostro Account of the borrower for the purpose of financing outward investments permitted in the regulations or in terms of the provisions of the repealed Exchange Control Act or FEA.
- 5.6 Remittances, as any income and any capital proceeds of the outward Investments, made through the same OIA, as permitted in the regulations or in terms of the provisions of the repealed Exchange Control Act or the FEA.
- 5.7 Remittances, as settlement chargers under a court order related to the outward investment range through the OIA.
- 5.8 Remittances, as any income and any capital proceeds received from any asset/investment in overseas acquired/held by the account holder, for no consideration, as permitted in the regulations or the repeated Exchange Control Act.
- 5.9 Remittances, as any income and any capital proceeds of shares received under an Employee Share Ownership Plan or Employee Share Option Scheme where the outward remittances for such investment was made by a company or branch office established in Sri Lanka (i.e., employer) on behalf of the

accountholder (i.e., employee), as permitted in the regulations or the repealed Exchange Control Act.

- 5.10 Remittances, as any income and any capital proceeds of any investment made through an OIA of another person which has been inherited to the accountholder from such person, subject to the regulations.
- 5.11 Transfers from an Inward Investment Account of another person (i.e., investor) being proceeds of investments in shares, debt securities issued by a company incorporated in Sri Lanka (i.e., accountholder), if the accountholder intends to utilize such funds for an outward investment permitted under the regulations or the provisions of the repealed Exchange Control Act or the FEA.
- 5.12 Transfers from an OIA of another person, being outstanding balance of the OIA received by way of inheritance subject to the inheritance and succession laws in Sri Lanka.
- 5.13 Proceeds of non-materialized Outward Investments made under the regulations, for which the funds were remitted through the same OIA, within three months from the date of payment made for the investment.
- 5.14 Management fees, consultancy fees and commissions in relation to the outward investments.
- 5.15 Interest earned in the funds held in the account.

6. Permitted Debits

- 6.1 Remittances relating to an outward investment undertaken by the account holder in terms of the regulations or the provisions of the repealed Exchange Control Act or the FEA.
- 6.2 Transfers to an OIA or Personal Foreign Currency Accounts or Business Foreign Currency Accounts of another person (i.e., seller), to purchase a permitted investment overseas from the seller which was made through the same OIA or Personal Foreign Currency Accounts or Business Foreign Currency Accounts in terms of regulations or the provisions of the repealed Exchange Control Act or the FEA.
- 6.3 Payments for current transactions of the account holder.
- 6.4 Transfers to Personal Foreign Currency Accounts or Business Foreign Currency Accounts or an account maintained in the OBU, of the account holder, being any income and any capital proceeds received from an outward investment, where such investments had been made by debiting such Personal Foreign Currency

Accounts or Business Foreign Currency Accounts or account in OBU, or by utilizing the funds transferred from such accounts into the OIA, proportionately to the contributions.

- 6.5 Transfers to OIAs of the same account holder.
- 6.6 Transfers to External Commercial Borrowing Account of the account holder, for the purpose of repayment of loans obtained from an overseas lender.
- 6.7 Transfers of the outstanding balance to an OIA of a beneficiary/heir, subject to the inheritance and succession laws in Sri Lanka.
- 6.8 Withdrawal in foreign currency notes or transfer of funds for uploading a Foreign Travel Card, up to the limits specified in the Directions No. 02 of 2021 on current transactions (or equivalent in any other foreign currency), for travel purpose of the account holder and/or immediate family members.
- 6.9 Disbursements in Sri Lanka in Sri Lanka Rupees.

7. Other Conditions.

- 7.1 Rupee proceeds should be converted into foreign currency only for the purpose of outward investments and be credited to OIA only after the fulfillment of all requirements stipulated, in the regulations and Directions. Under no circumstances such funds shall be retained in OIA without making the Investment.
- 7.2 Payments specified in Sub-Paragraph 6.1 shall be remitted to an account of the overseas company (i.e. investee) or to the account of the seller of the permitted security (through stock broker in the case of investing in instruments listed on a Stock Exchange) or to an account held by the resident investor in that country (subject to the legal requirement of that country on foreign investments) or to the account of the appointed secretary or registrar of the investee in the event the investee is in the process of incorporation.
- 7.3 The credit under paragraph 5.3, 5.4 and 5.11 shall be executed at the time of making the outward investment upon all necessary approvals have been obtained for such outward investment.
- 7.4 In the event a resident investor intends to remit funds for an additional Investment into an investee through an OIA , where a part of the investment has been already made via an OIA, the proposed additional investment shall be routed via the same OIA through which the initial investment was made.

- 7.5 Funds credited under the paragraph 5.13 shall be transferred to a rupee account of the same accountholder, within the same day of receipt of such funds. In the case of receipt of similar payments after three months, such payments may credit to a rupee account of the accountholder upon satisfying with the bona fide of the transactions.
- 7.6 Should obtain an affidavit from the customer to ensure the following.
- I. In case of an investment to be carried out by an Individual person or sole proprietorship or a partnership, that the individual person or persons involved to the sole proprietorship or a partnership, are resident in Sri Lanka in terms of the order issued under section 31 of the FEA.
 - II. Whether the investor has made any outward remittance for the outward investments as permitted in the regulations during the time period applicable to the investor along with the details of such outward remittances made.
 - III. In case of the investor is an individual, whether said person owns a sole proprietorship registered in Sri Lanka and such sole proprietorship has invested outside Sri Lanka under the regulations or the provisions of the repealed Exchange Control Act or the FEA. If so, details of the same.
 - IV. In case of the investor is a sole proprietorship registered in Sri Lanka, the person who owns the sole proprietorship has invested outside Sri Lanka under the regulations or the provisions of the repealed Exchange Control Act or the FEA. If so, details of the same.

8. Fees and Charges

Please refer below for Rates and Tariff.

<https://www.peoplesbank.lk/interest-rates/>

Since outward investments are currently limited, please refer to Gazette No.2441/14 for further details.