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உள்ளநாட்டு இறைவரித் திணைக்களம்
DEPARTMENT OF INLAND REVENUE

ලේකම් අංශය
14 වන මහල

செயலகம்
14 வது மாடி

Secretariat
14th Floor

දේශීය ආදායම් ගොඩනැගිල්ල
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කැ.පෙ. 515, කොළඹ 2- ශ්‍රී ලංකාව

உள்ளநாட்டு இறைவரித் கட்டிடம்
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SEC 2018/02

27th March 2018

Circular to Banks, Financial Institutions and Remitters of Foreign Exchange

Collection of Remittance Fee (RF) on the Inward Remittance of Foreign Exchange as Enacted in the Foreign Exchange Act No. 12 of 2017

A remittance fee has been introduced on the inward remittances of foreign exchange by the Foreign Exchange Act No. 12 of 2017. The Act has come into operation with effect from November 20, 2017 as notified in the Extraordinary Gazette No. 2043/31 published on October 31, 2017.

In terms of section 8(3) of the Act, any Sri Lankan citizen resident in Sri Lanka (hereinafter referred to “person”) who remits to Sri Lanka any foreign exchange exceeding the value of one million United States dollars (or equivalent in other currencies) which have not been declared to the Commissioner General of Inland Revenue or the Head of the Department of Foreign Exchange before November 20, 2017 and which are not the property in respect of which proceedings are pending in a court of law or an order has been made by a court of law under any of the following Acts;

- Prevention of Money Laundering Act, No. 5 of 2006,
- Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005 or
- the Bribery Act (Chapter 26);

shall be liable to pay a remittance fee of one per centum to the Commissioner General of Inland Revenue except the person who invests such foreign exchange in Sri Lanka Development Bonds issued by the Government of Sri Lanka.

Any person remits foreign exchange not exceeding one million United States dollars (or equivalent in other currencies) shall not be liable to pay the remittance fee.

Accordingly, any such person who intends to seek immunity under section 8(3) of the Act on his/her remittance to Sri Lanka an amount of foreign exchange at any value must have obtained the approval of the Commissioner General of Inland Revenue prior to the remittance.

In order to obtain the “Approval of the Commissioner General of Inland Revenue”, following procedures must be followed by such persons.

- i. Must have obtained a Taxpayer Identification No (TIN)
Primary Registration Unit (Ground Floor) of the Inland Revenue Department (IRD) will issue the TIN on submission of the required documents for registration.
- ii. Should make a declaration to the Commissioner General
Declaration should be made in the specified form prescribed by the Commissioner General (as in the Annexure) and submitted to the **Secretariat** of the IRD along with a letter confirming the value of the foreign exchange, country of origin etc from prospective bank by which the remittance of foreign exchange is to be received.
- iii. Should make the due “Remittance Fee”, if such fee is applicable
In case of any person who shall be liable to pay the Remittance Fee, such person should have made the payment of remittance fee at 1% of such remittance applying the currency (Sri Lankan Rupees) rate as at the date of payment by **cash/bank draft** using the “Remittance Form” to any branch of **Bank of Ceylon**.

If the fee is intended to be made by a bank draft, such bank draft should be drawn in favour of the Commissioner General of Inland Revenue, stating the **Account No. 2026460 of Bank of Ceylon**.

When filling the Remittance Form to pay the remittance fee, please apply the followings (among others stated in the reverse of the form).

- Tax type code -

2	4
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- Payment Period -

1	8	1	9	0
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In case of any person who intends to invest his/her inward remittance which exceeds the value of one million United States dollars (or equivalent in other currencies) in Sri Lanka Development Bonds issued by the Government of Sri Lanka, such person should prove to the Commissioner General soon after the investment is made that such foreign currency is invested in such bond.

Furnishing of incorrect information, false statement in the Declaration, non furnishing of any information with regard to remittances, failure to prove the investment in Sri Lanka Development Bonds (if applicable) shall lead to revoke the immunity obtained under provisions of the Act.



Ivan Dissanayake
Commissioner General of Inland Revenue

Ivan Dissanayake
Commissioner General of Inland Revenue
Department of Inland Revenue
Sir Chittampalam A Gardiner Mawatha
Colombo 02

Annexure

Declaration of Inward Remittance of Foreign Exchange
[Section 8(3) of the Foreign Exchange Act No. 12 of 2017]

(A) Personal Information

1. Full Name of the Declarant:.....
2. Address :
.....
3. NIC No.:
4. Passport No.:
5. Taxpayer Identification No. (TIN) :.....

(B) Remittance Detail

6. Value of foreign exchange intended to remit to Sri Lanka : US \$.....
In words:
.....
7. Name of prospective bank by which the remittance of foreign exchange to be received:
8. Country of origin from which the foreign exchange to be remitted:

(C) Declaration Detail

9. Have you made any Declaration ever before to the Commissioner General of Inland Revenue (CGIR) or the Head of the Department of Foreign Exchange (HDFE) in connection to above foreign exchange: **Yes/No**
10. If yes, detail of such declaration (attach evidence):
Whether the Declaration was made to CGIR/HDFE (delete where inapplicable)
 - i. Date of declaration:
 - ii. Year of Assessment:
 - iii. Name of the financial institution by which the remittance of foreign exchange was received:
 - iv. Value of foreign exchange: US \$.....
(In words).....
.....

11. Is any proceeding pending in a court of law or an order has been made by a court of law under any of the following Acts in connection to above foreign exchange;
- a. Prevention of Money Laundering Act, No. 5 of 2006 : Yes/No
 - b. Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005: Yes/No
 - c. the Bribery Act (Chapter 26) : Yes/No

If yes, give detail (attach evidence):

.....

12. Do you invest such foreign exchange in a development bond issued by the Government of Sri Lanka (Documents must be submitted subsequent to the investment is made), If so, give detail:

.....

(D) Remittance Fee Detail (attach evidence)

13. Liability to Remittance Fee @ 1% in US\$.....

14. Currency rate as at the date of payment Rs.

15. Payment details

a. Amount of remittance fee paid: Rs.

b. Date paid:.....

c. Bank Branch:

I declare that all particulars furnished in this Declaration are true and correct to the best of my knowledge and belief. I am aware that making an incorrect or false statement or giving false information in relation to this Declaration shall lead to revoke any immunity granted under section 8(3) of the Foreign Exchange Act No. 12 of 2017.

Date:.....

.....
 Signature of Declarant

Telephone (Fixed) No.....

Mobile:

E-Mail: