**FAQs**

**How much of foreign currency can you bring into Sri Lanka?**

*Policies on currency taken abroad for travel purposes*

You can bring any amount of foreign exchange (including notes, bank drafts and travel cards). However, if the total value of foreign exchange exceeds USD 15,000 or its equivalent, it should be declared to the Customs of Sri Lanka.

**How much of foreign currency can you take out of Sri Lanka?**

*Policies on currency taken abroad for travel purposes*

The Central Bank of Sri Lanka has given approval to licensed commercial banks to decide on the travel allowance that can be given to an individual. This amount is determined depending on the requirement of the customer, the country of travel, length of stay. Of the stipulated amount that can be carried in foreign currency only USD 10,000 could be taken as currency notes and any balance could be taken by other means such as travel cards. Apart from the licensed commercial banks, foreign currency can also be obtained from other permitted persons (including licensed specialized banks and authorized money changers), subject to the limits imposed on such authorized dealers with regard to issuance of foreign exchange.

Unutilized currency notes can be retained by the individual up to USD 10,000 or its equivalent and the unutilized balances in the travel card must be banked within 90 days from arrival.

**What are the designated foreign currencies in Sri Lanka?**

1- Australian Dollar, 2- Canadian Dollar, 3- Chinese Renminbi, 4- Danish Kroner, 5- Euro

6- Hong Kong Dollar, 7- Japanese Yen, 8- New Zealand Dollar, 9- Norwegian Kroner, 10- Pound Sterling, 11- Singapore Dollar, 12- Swedish Kroner, 13- Swiss Franc, 14- United States Dollar.

Foreign currency accounts can be opened under the given type of currencies where interest is also paid in the same currency

**How to channel investments into and from Sri Lanka?**

A mechanism is in place for investors to freely bring in investments to Sri Lanka and to repatriate the returns from such investments outside Sri Lanka, without referring to the Central Bank of Sri Lanka, through the Securities Investment Account (SIA) which can be opened and maintained with an Authorized Dealer. An SIA can be held individually or jointly and it may be maintained in LKR or any other designated foreign currency. The same account can be used to remit dividends of the related investment and sales proceeds/profits or any other returns derived from the investments freely without seeking permission from the Central Bank.

**How to buy immovable property in Sri Lanka?**

For foreign nationals, foreign companies or a company incorporated in Sri Lanka with over 50% of foreign ownership, purchasing land is restricted. However, land could be acquired up to 99 years on lease. For companies with minority foreign shareholding, Sri Lankan nationals or dual-citizens, immovable property can be bought through a Securities Investment Account (SIA), the sales proceeds can be freely remitted back through the SIA. If the purchase was made through a direct remittance, proof of the transaction is required prior to the sale of the property.

**What are the conditions of lending to Sri Lankan firms?**

Individuals in Sri Lanka require prior permission from the Controller of Exchange to borrow foreign currency. Companies incorporated under the Companies Act, No. 7 of 2007 (other than licensed commercial banks, licensed specialized banks, licensed finance companies, specialized leasing companies, companies limited by guarantee and overseas companies) are granted general permission to borrow from residents outside Sri Lanka under the External Commercial Borrowing Scheme.

**What types of investments are available for investment?**

▪▪ **Ordinary shares** in companies incorporated in Sri Lanka (up to 100% both listed and unlisted excluding some industries).

▪▪ Preference shares: The tenure of preferential shares must not be less than three years from the date of issue.

▪▪ Deposits (i.e. through a Special Foreign Investment Deposit Account - SFIDA): Time or saving deposits can be made to a SFIDA in designated foreign currencies or in Sri Lankan Rupees. A SFIDA may be maintained by non-resident Sri Lankans, foreign nationals, corporate bodies or institutional investors, provided a minimum balance of USD 10,000 is maintained.

▪▪ LKR (Sri Lanka Rupee) denominated units in Unit Trusts licenced by the Securities and Exchange Commission (SEC).

▪▪ Sri Lanka Development Bonds: These USD denominated bonds allow 100% foreign ownership.

▪▪ Treasury bonds and treasury bills: These bills and bonds are LKR denominated. Up to 12.5% of the total outstanding stock of Treasury Bonds and Treasury Bills at a given time may be owned by foreign investors.

▪▪ Listed debentures: 100% of LKR denominated listed debentures in the Colombo Stock Exchange are open to foreign investors.

▪▪ Setting up of places of business in Sri Lanka.

▪▪ Lending money to Sri Lankan companies.

▪▪ Immovable property

**Are foreigners allowed to own and operate companies in Sri Lanka?**

Full foreign ownership (100% shareholding) is allowed in most sectors. Only a few sectors are subject to certain limitations on foreign ownership and operational scope. Meanwhile, the establishment of a branch, liaison, project, representative, regional or other similar offices (of overseas companies) in Sri Lanka is permitted subject to a minimum investment of USD 200,000 for commercial, trading or industrial activity.

**What are the conditions for employing foreign nationals in Sri Lanka?**

Conditions for employing foreign nationals is assessed on a case-by-case basis by the Board of Investment of Sri Lanka (BOI) depending on the type of project and its human capital requirement. For non-BOI approved companies, approval has to be obtained from the respective line ministry, and in some cases, from the relevant regulatory body of the industry in which the foreign nationals will be employed.

**How is foreign investment protected?**

Article 157 of Sri Lanka’s Constitution guarantees the safety of investment protection treaties and agreements approved by parliament by a two-thirds majority.

**Which department should be contacted if there is an interest in foreign investment?**

The Board of Investment of Sri Lanka (BOI) of Sri Lanka facilitates foreign investments into the country. It also has a ‘One-Stop-Shop’ mechanism for clarifications and dispute resolution. The BOI calls on the various government agencies and departments that are related to the dispute and facilitates a solution to the investor. Please visit <http://www.investsrilanka.com> for details.

**What is the import duty structure of Sri Lanka?**

In 2016, import tariffs were simplified and reduced to three tariff bands i.e., 0%,15% and 30%. 54 per cent of tariff lines are 0% duty.

**Does Sri Lanka provide preferential or duty free access to products from any country under trade agreements?**

Sri Lanka is a member of two bilateral agreements with India and Pakistan. Sri Lanka is also a member of several regional trade agreements including the Asia Pacific Trade Agreement (APTA).

**Where can I find out about imported products subject to mandatory Sri Lanka standards?**

The Sri Lanka Standards Institute monitors and checks the mandatory import product standards. At present, there are 123 imported products that have to comply with Sri Lanka Standards. Information about the products and the import inspection scheme can be found at: <http://www.slsi.lk>.

**Are there products that need a license to import and export?**

The Department of Import and Export Control maintains the list of products that require a license to import or export. The Department issues the relevant licenses. Information on the products subject to import and export licensing and license fees can be obtained by visiting the website of the Department at: <http://www.imexport.gov.lk>.

**Where can I find information about sanitary and phytosanitary (SPS) measures applied by Sri Lanka?**

The National Plant Quarantine Service (NPQS) of the Department of Agriculture issues phytosanitary certificates for agricultural commodities exported from, and imported into, Sri Lanka. The NPQS has offices at the Airport as well as the Seaport to provide this service. More information about the NPQS can be found at: [http://www.doa.gov.lk](http://www.doa.gov.lk/index.php/institutes/338). In order to import animals, animal products and animal by-products, prior approval of the Director General of the Department of Animal Production and Health is required. The procedure to follow to obtain this approval can be found at: <http://www.daph.gov.lk/> .

**Do I need an import permit to import plant, planting material and plant products into Sri Lanka?**

The Sri Lankan Government requires importers to obtain an import permit to import plant, planting material and plant products into Sri Lanka. The National Plant Quarantine Service of the Department of Commerce issues import permits for these products. For more information, visit: <http://www.doa.gov.lk> .

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