



Ajith Nivard Cabraal
Governor

Central Bank of Sri Lanka
30, Janadhipathi Mawatha, Colombo 01, Sri Lanka

19th January 2022

Our Ref: 69/02/002/0002/001

To: Chief Executive Officers of All Licensed Banks

Operating Instructions on “Reimbursement of the Transaction Cost of Workers’ Remittances”

With an objective of encouraging more workers’ remittances to the country through formal fund transferring channels, the Central Bank of Sri Lanka (CBSL) has decided to grant an incentive for Sri Lankans working abroad by reimbursing the transaction cost (TC) incurred on account of inward workers’ remittances as a fixed payment of Rs. 1,000 per transaction. Accordingly, all Licensed Banks (LBs) are hereby instructed to adhere to the following Operating Instructions in operationalizing the mechanism with effect from 01.02.2022.

1. Eligible Transactions

The foreign currency income earned through employment by Sri Lankan nationals who are working abroad/have worked abroad and/or their beneficiaries will qualify for this incentive upon the conversion of such foreign currency into Sri Lankan rupees through LBs in Sri Lanka.

The CBSL will reimburse the TC of workers remittances subject to the following conditions:

- (i) Each migrant worker or his/her beneficiary is eligible to receive this incentive only for two transactions per month.
- (ii) Direct fund transfers to Personal Foreign Currency Accounts are not eligible to receive this incentive.
- (iii) A Sri Lankan national who resides in Sri Lanka and earns foreign currency income through rendering services in nature of employment abroad will not be eligible to receive this incentive.

2. Operating Framework

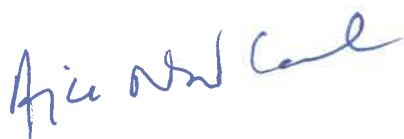
- (i) LBs are required to credit or disburse Rs. 1,000 per eligible transaction to the beneficiaries.
- (ii) In the case of remittances received through an intermediary LB, Rs. 1,000 shall be credited or disbursed by the final receiving bank which maintains beneficiaries' LKR account or makes the end rupee payment to the beneficiary.
- (iii) LBs are required to submit the claim for reimbursement on quarterly basis to the Foreign Remittances Facilitation Department (FRFD) of the CBSL as per the format given in Annex I within 15 days after the end of each quarter.
- (iv) All reimbursement claims shall be audited by the LB's Internal Audit Department to verify that the claims are in conformity with the instructions issued by the CBSL prior to the submission of the claim.

3. Accounting and Record Keeping

LBs are required to maintain separate accounts and records in respect of the reimbursement of the TC with all necessary supporting documents.

- 4. All LBs are advised to notify the contents of the above scheme amongst all the overseas entities that has home remittance related arrangements with the respective LB in order to promote awareness about the scheme among the migrant workers.

For further information or clarifications, you may contact the Foreign Remittances Facilitation Department of the CBSL on 0112477448, 0112398754 or 0112477426.



Ajith Nivard Cabraal
Governor
Central Bank of Sri Lanka
Encl/-

----- Corporate Letterhead -----

Name of Bank:

Reporting Period: Quarter Ending

Reimbursement of “Transaction Cost of the Worker Remittances”

(a) Date	(b) Total remittance inflow equivalent in USD*	(c) Total Number of Transactions	(d) Number of eligible transactions directly routed to the LB and credited/ disbursed to final beneficiaries in LKR	(e) Number of eligible transactions routed through other LBs and credited/dispursed to final beneficiaries in LKR	(f) Total Number of eligible transactions for reimbursement (d+e)	(g) Total remittances inflow equivalent in USD* corresponding to Total Number of eligible transactions(f)	(h) Total amount to be claimed (Rs)

*LBs shall use the available indicative exchange rate published by CBSL

We certify that the information contained in the above return is accurate and complete and has been extracted from the books of accounts and customer lists/records maintained at the bank.

Signature
Name
Designation	Chief Executive Officer	Chief Compliance Officer	Chief Financial Officer
Date
			Head of Internal Audit