

**Eligibility**

The following categories of persons are eligible to purchase SLDBs.

- (a) Authorised Dealers appointed in terms of Section 4 of the Exchange Control Act, No.24 of 1953;
- (b) Primary Dealers appointed by the Central Bank of Sri Lanka under the Registered Stock and Securities Ordinance, No.7 of 1937 and the Local Treasury Bills Ordinance, No.8 of 1923;
- (c) Citizens of foreign states whether resident in Sri Lanka or outside Sri Lanka;
- (d) Citizens of Sri Lanka who have made their permanent abode outside Sri Lanka;
- (e) Citizens of Sri Lanka who have proceeded outside Sri Lanka to take up employment or to set up in business or in a profession;
- (f) Citizens of Sri Lanka who have dual citizenship provided that those citizens substantiate that their permanent place of abode is outside Sri Lanka;
- (g) Bodies corporate or unincorporated established under the laws of a country other than Sri Lanka;
- (h) Companies who have entered into agreements in terms of Section 17 of the Board of Investment of Sri Lanka Act, No.4 of 1978 with full exemption from the provisions of the Exchange Control Act provided that all purchases of SLDBs are made against debits to foreign currency accounts maintained only for the purpose of crediting earnings from exports of such companies.
- (i) Companies registered to carry on insurance business in Sri Lanka under the provisions of the Regulation of Insurance Industry Act, No.43 of 2000 provided that all purchases of SLDBs are made against debits to Special Foreign Currency Accounts maintained with commercial banks in terms of the approval of the Controller of Exchange.

The SLDBs are not sold in the USA or to persons residing in the USA.

**Salient Features of SLDBs****Tenor**

The tenors of the SLDBs are three (3) years and five (5) years.

**Denominations**

These bonds are denominated in US Dollars. The minimum investment at the auction shall be USD 100,000. Denominations are available in multiples of USD 10,000. In the secondary market the minimum investment shall be USD 10,000. Denominations are available in multiples of USD 10,000. In the secondary market the minimum investment shall be USD 10,000.

**Interest Payments & Principal Repayment**

Interest is paid to the holders in every six (6) months from the date of issue. Calculation of interest payments will be based on the six month London Inter-Bank Offered Rate (LIBOR) for USD per annum plus a margin determined through competitive bidding at the auction.

Principal repayment is made at the end of the maturity period. Principal and interest on SLDBs are fully repatriable.

**Paying Agent**

Bank of Ceylon, Colombo, Sri Lanka is the Paying Agent appointed by the Superintendent of Public Debt (SPD) to make payment of interest and repayment of principal to the holders of SLDBs.

**Transfer**

The SLDBs the SLDBs are transferable by endorsement, delivery and registration on an application made to the SPD. Application forms for transfers can be obtained through Designated Agents.

**Joint Holders**

SLDBs may be held jointly by two holders. Repayment of principal and payments of interest are made to the person whose name appears first on the SLDB and to the surviving holder whose name appears next on the SLDB in the event of death of the first holder.

**Nominee & Custodian**

A holder can nominate a nominee as an alternative holder of the Bond in the event of a death of both Registered Holder and the Joint Holder. A holder can appoint a custodian with the approval of the SPD to hold SLDBs on behalf of the holder.

**Tax Treatment**

All payments in respect of SLDBs are free from tax. An amount equal to interest or the discount paid or allowed as the case may be on any Sri Lanka Development Bond denominated in United States Dollars is exempt from Income Tax under section 13 of the Inland Revenue Act, No.10 of 2006, as amended. The SLDBs are exempted from the payment of stamp duty and are not liable for withholding tax.

**Collecting Interest and Maturity Proceeds**

An investor can make arrangements to collect interest payments and principal repayments in a manner flexible to him/her by a US Dollar cheque drawn in his/her favour or to a US Dollar account in accordance with his/her duly intimated instructions.