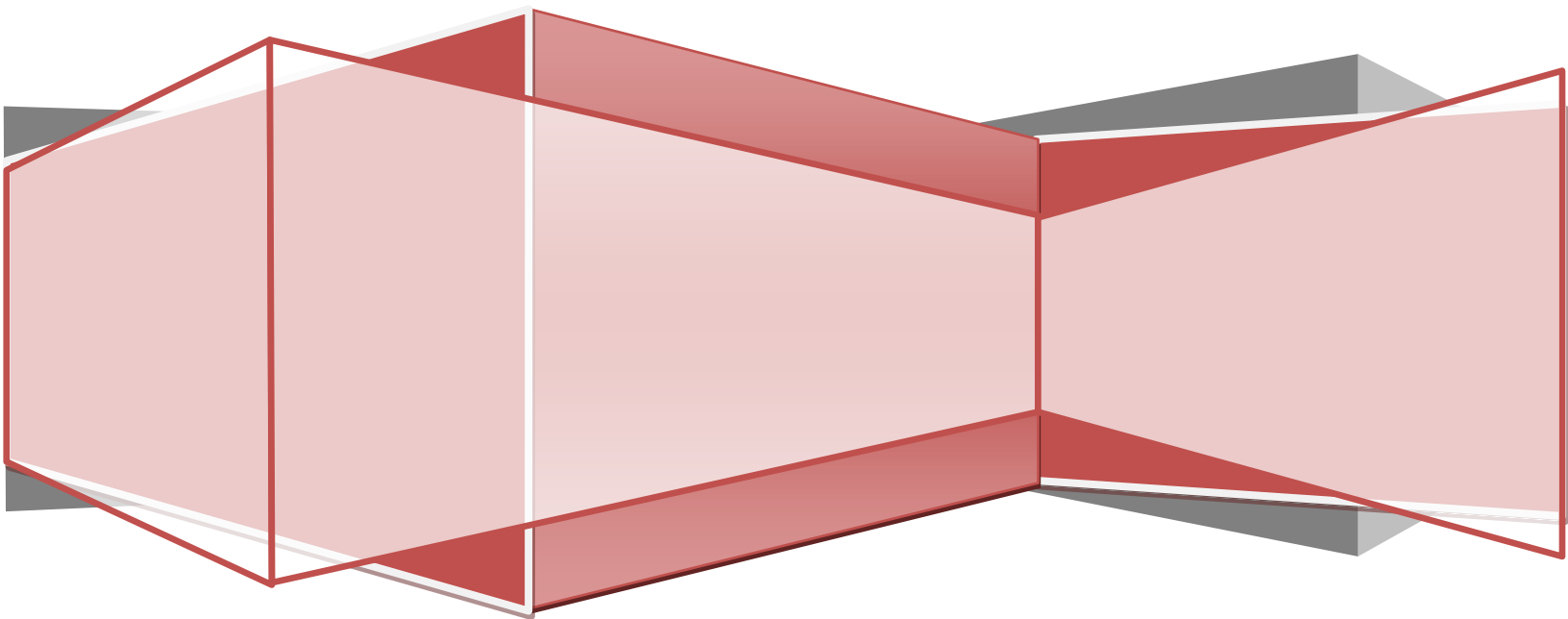


# Special Deposit Account

Key Fact Document



## All you need to know about your Special Deposit Account with DFCC Bank

If you have already opened a Special Deposit Account with us or planning to do so, we want to help you understand the features of the product so that you can take maximum advantage of its benefits.

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## 1. About Special Deposit Accounts

Special Deposit Account (SDA) is an account introduced by the Regulations published in the Government Gazette (extraordinary) No. 2170/4 dated 08th April 2020 and section 9 of the Foreign Exchange Act No.12 of 2017 and the Directions No.04 issued by Department of Foreign Exchange (DFE).

Special Deposit Account is an account that can be opened in the form of a fixed deposit either in any designated Foreign Currency or in Sri Lanka Rupees out of inward remittances from abroad routed through the banking system favoring the account holder.

SDA can be opened only during the period of **09<sup>th</sup> April 2020 up to 09<sup>th</sup> October 2020 only**.

## 2. Who can open Special Deposit accounts?

Any Sri Lankan individual resident in or outside Sri Lanka including Dual Citizens, Citizens of other States with Sri Lankan origin and any person resident outside Sri Lanka including funds, corporate bodies, association and other well-wishers

### For new customers

We invite you to visit the closest DFCC Bank branch or contact us to open your Special Deposit account.

For customers who are not residing in Sri Lanka, the details can be filled and forwarded via the online platform in our website where the required details will be forwarded to the relevant branch and the Bank personnel will contact you for further action.

### For existing customers

As a customer already banking with us, you can visit or contact any DFCC Bank branch that is convenient to you and speak to our staff that is dedicated to serve you.

### 3. Unique Product Features

Here are some characteristics of the product;

- Minimum tenure: Six (06) months.
- Interest payable: 1 percentage point and 2 percentage points per annum for SDAs with a tenure of 6 months and 12 months, respectively, payable at maturity of the deposit, above the deposit interest rates applicable for normal deposits of similar maturities by the bank.
- Repatriation of Funds: Freely convertible and repatriable outside Sri Lanka on the maturity of the term deposits.
- Special Deposit Accounts may be held as joint accounts subject all parties meet eligible criteria.
- You will be issued a deposit receipt citing the deposit amount, period, and the interest rate which is not a negotiable nor transferrable instrument but a receipt of acknowledgement of the deposit.
- The credits and debits will be only be performed as permitted in the regulation which is stated below for your reference.

### 4. Interest

The interest rates applied to your SDA is fixed by the Bank according to the prevailing market rates and the policy rate revisions carried out by the Central Bank.

Currently applicable rates as at 15<sup>th</sup> May 2020 will be as following;

- For 6 Months tenor the customer is eligible for 1% above the normal interest rate
- For 1 Year tenor the customer is eligible for 2% above the normal interest rate

You can visit our website – [www.dfcc.lk](http://www.dfcc.lk) for updated interest rates.

Interest will be calculated on a daily basis and credited at the maturity.

Interest for Sterling Pound and Singapore Dollars will be computed on a 365 days/ year basis while other currencies will be computed on 360 days/year basis.

## **5. Withholding Tax (WHT) on interest**

According to the guidelines issued by the Inland Revenue Department of Sri Lanka, withholding tax if eligible will be deducted for the assessment year and will be remitted to the Inland Revenue Department of Sri Lanka.

The year of assessment is from the 1st of April of the particular year to the 31st of March of the following year.

For further details, please visit the nearest DFCC Bank Branch.

## **6. Permitted Credits**

- Inward remittances in foreign currency received from outside Sri Lanka in favor of the account holder through the banking system.
- Transfers from Inward Investment Accounts (IIA) or accounts maintained in the Offshore Banking Unit by the account holder, out of the proceeds received as inward remittances during the six months period from the date of the regulations in favor of the account holder.

## **7. Permitted Debits**

- Outward remittances of maturity proceeds upon maturity of the term deposit.
- Transfer of maturity proceeds of SDA term deposits to an Inward Investment Account an account maintained in the Offshore Banking Unit by the same account holder.
- Disbursements in Sri Lanka in Sri Lanka Rupees.

## **8. Other Conditions**

- In the event of receiving funds through an Inward Investment Account or an account maintained in the Offshore Banking Unit, of the same account holder, such funds should have been received as inward remittances into Sri Lanka.
- Funds withdrawn as Disbursements in Sri Lanka in LKR cannot be credited back to a SDA.
- Outward remittances in favor of the account holder may be effected through a Bank other than the Bank with whom the SDA is maintained, provided that a confirmation

shall be obtained from the Bank with whom the SDA is maintained stating that the funds were debited from the SDA of the accountholder and out of the funds credited in compliance with the regulation.

## **9. Pre-mature withdrawal of Special Deposit Account**

You may en-cash your deposit before maturity subject to providing a written request to the Bank. Though this is allowed, you will be subject to a reduction of interest, since the deposit will cease to be operative for the initial contracted period.

If your Special Deposit Account is joint with another individual(s), and the operating instructions given to the Bank is “Both to Sign” in the event you wish to withdraw/ transfer funds, it is compulsory that all parties of the account be present at the Bank in order to carry out your requirement.

If the operating instruction given to the Bank on behalf of your account is “either party”, in such cases, the withdrawal may be processed on the signature of one party.

## **10. Lending Against Special Deposit Account**

It is possible to obtain a loan or an overdraft facility against your Special Deposit Account subject to the lending conditions applicable to the product.

To facilitate above, you are required to duly complete an application form together with a letter of set off.

## **11. Nomination facility for investment**

Should you require nominating someone for your investment that can be done at the time of opening the Special Deposit Account or soon after. You will need to fill in the Nomination form with the details of the Nominee, percentage of nomination along with your account details. Speak to one of our staff at the Branch to assist you in this regard.

## **12. Foreclosure/Closure of Special Deposit Account under lien**

If you have already obtained a loan or an overdraft against your Special Deposit Account, and if you wish to uplift the Special Deposit Account, first and foremost, it is required to submit a written request to the Bank citing your need.

Prior to uplifting your Special Deposit Account, the Special Deposit Account will cease to operate as a security and the Bank will set off the total outstanding of any loans or overdrafts obtained by you, together with any other charges due to the Bank.

### **13. Contacting us**

You can call us on our 24 hour contact centre on +94(11) 2350000 or write to us on [info@dfccbank.com](mailto:info@dfccbank.com). You can also visit any of our Branches as detailed on our website.