

Exchange Control Liberalisation Measures

The following exchange control liberalisation measures will come into effect from January 1st 2004.

1. Cash gift allowance

The limit for payments in connection with cash gifts or remittances for family living expenses is being raised from the present level of Lm20,000 per adult person each year to Lm30,000.

2. Foreign portfolio investment allowance

The limit on the annual allowance in connection with foreign portfolio investment by adult persons is being removed. However, the funds invested cannot be placed in portfolio assets with a maturity of less than six months.

3. Foreign currency holdings/demand deposit accounts – natural persons

The limit on the amount of foreign currency that an adult person may hold in the form of notes and coin is raised from the equivalent of Lm20,000 to Lm50,000.

Adult persons may hold foreign currency current accounts with local credit institutions as long as the funds deposited are already denominated in foreign currency and the maximum aggregate balance in such accounts does not exceed the equivalent of Lm50,000. Balances in such accounts may only be used to effect payments in foreign currency in connection with transactions in the current account of the balance of payments.

4. Foreign currency holdings/bank deposit accounts - bodies corporate/retail outlets

Bodies corporate/local retail outlets which are involved in export activities or receive foreign currency in the course of their business activities are exempted from surrendering such foreign currency to an institution licenced to carry on the business of foreign exchange. Such foreign currency may, however, be deposited in foreign currency accounts with local credit institutions. These accounts may only be debited with payments overseas related to the business costs of the body corporate/retail outlet.