

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Public awareness in relation to the use of Virtual Currencies in Sri Lanka

Considering the recent developments in relation to virtual currency usage in the international and domestic markets as well as the inquiries related to virtual currency, the Central Bank of Sri Lanka (CBSL) wishes to inform the public of the following.

Virtual Currencies (VCs) are largely unregulated digital representations of value that are issued by private entities and can be electronically traded.

As informed to the public previously by CBSL through press releases in [2018](#) and [2021](#), CBSL has not given any license or authorization to any entity or company to operate schemes involving VCs, including cryptocurrencies, and has not authorized any Initial Coin Offerings (ICO), mining operations or Virtual Currency Exchanges. Furthermore, as per the Directions No. 03 of 2021 under Foreign Exchange Act, No. 12 of 2017 issued by the Department of Foreign Exchange of CBSL, Electronic Fund Transfer Cards (EFTCs) such as debit cards and credit cards are not permitted to be used for payments related to virtual currency transactions. Therefore, VCs are considered as unregulated financial instruments and have no regulatory oversight or safeguards relating to their usage in Sri Lanka.

The public is therefore warned of the possible exposure to significant financial, operational, legal and security related risks as well as customer protection concerns posed to the users by investments in VCs. The public is also warned not to fall prey to various types of VC schemes offered through the Internet as well as other forms of media.