

*Foreign Exchange Act, No. 12 of 2017*

[Certified on 28th of July, 2017]

L.D.— O. 42/2003.

AN ACT TO PROVIDE FOR THE PROMOTION AND REGULATION OF FOREIGN EXCHANGE; TO VEST THE RESPONSIBILITY FOR PROMOTING AND REGULATING FOREIGN EXCHANGE IN THE CENTRAL BANK AS THE AGENT OF THE GOVERNMENT; TO PROVIDE FOR THE REPEAL OF THE EXCHANGE CONTROL ACT (CHAPTER 423); AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:-

**1.** This Act may be cited as the Foreign Exchange Act, No. 12 of 2017 and shall come into operation on such date as the Minister may by Order published in the *Gazette* appoint (hereinafter referred to as “the appointed date”).

Short title and date of operation.

**2.** (1) The Central Bank shall as the agent of the Government, be responsible for implementing the provisions of this Act in order to ensure proper promotion and regulation of foreign exchange in Sri Lanka, in accordance with such directions as may from time to time be issued in that behalf under this section.

Central Bank to be responsible for implementation of the Act.

(2) The Minister assigned the subject of the Central Bank may, from time to time, issue such directions as may be necessary for the implementation of the provisions of this Act and it shall be the duty of the Monetary Board to cause such directions to be carried out.

**3.** Where under any provision of this Act any power, duty or function is authorized or required to be exercised, performed or discharged by the Central Bank, such power, duty or function may be exercised, performed or discharged by the officer designated as the head of the Department of Foreign Exchange or on his behalf any other officer designated as an assistant to him, subject to the direction and control of the Governor of the Central Bank.

Discharge of powers, duties and functions by the Central Bank.

Authorized  
dealers and  
restricted  
dealers.

**4.** (1) (a) Every licensed commercial bank shall, immediately upon such bank being issued a license to carry on banking business under the Banking Act, No. 30 of 1988, be authorized by the Central Bank to act, subject to the provisions of section 9 as an authorized dealer to deal in foreign exchange.

(b) Every licensed commercial bank which is on the appointed date carrying on banking business, shall subject to the provisions of section 9, be deemed to have been authorized by the Central Bank, to act as an authorized dealer to deal in foreign exchange.

(c) Every licensed specialised bank, immediately upon such bank being issued a license to carry on banking business under the Banking Act, No. 30 of 1988, may be authorized by the Central Bank subject to the provisions of section 9, to deal in foreign exchange for the purposes specified in such authorization.

(d) Every licensed specialised bank which is on the appointed date carrying on banking business, shall subject to the provisions of section 9, be deemed to have been authorized by the Central Bank to deal in foreign exchange for the purposes specified in such authorization.

(2) (a) The Central Bank may permit, subject to the provisions of section 9, any person, class or classes of persons (hereinafter referred to as a “restricted dealer”) not being an authorized dealer, to deal in foreign exchange within Sri Lanka for the purposes specified in the permit, subject to such terms and conditions as may be imposed by the Central Bank in that behalf.

(b) Every dealer in foreign exchange including money changers or any other person other than licensed commercial banks or specialised banks, which are on the appointed date permitted to deal in foreign exchange, shall subject to the provisions of section 9, be deemed to have been permitted