

Current
transaction.

6. (1) A person shall be entitled to deal in foreign exchange for a current transaction of such person, through an authorized dealer or to the extent specified in the permit, through a restricted dealer.

(2) An authorized dealer or a restricted dealer may deal in foreign exchange for a current transaction as a principal or as an intermediary.

(3) Prior to dealing in foreign currency for a current transaction under subsection (1), an authorized dealer or a restricted dealer shall request the person requiring foreign exchange for such transaction to provide such information or produce such documents or make such declaration as is reasonably necessary, in order to satisfy himself that the requirement is in relation to a current transaction and is in conformity with any other laws regulating such transactions.

(4) An authorized dealer or a restricted dealer shall refuse to deal in foreign exchange for a current transaction under subsection (1) where the request for information, documents or declaration in terms of subsection (3) relating to such transaction is not complied with or where the dealer is satisfied that the requirement is not for a current transaction or is not in conformity with any other laws regulating such transactions.

(5) An authorized dealer or a restricted dealer refusing to deal in foreign exchange for a current transaction under subsection (4) shall communicate his decision in writing together with the reasons therefor, if requested by the person requiring the foreign exchange subject to the provisions of section 9 of the Financial Transactions Reporting Act, No. 6 of 2006.

(6) Any person aggrieved by the decision of an authorized dealer or a restricted dealer under subsection (4) may, within fourteen days after such decision is communicated to such person, appeal against such decision to the Central Bank

and the Central Bank shall, after giving such person and the dealer a reasonable opportunity of being heard, affirm, vary or revoke such decision.

7. (1) The Minister shall in consultation with the Monetary Board and with the approval of the Cabinet of Ministers, authorize by regulations, the class or classes of capital transactions in foreign exchange for the purpose of this section. Capital transaction.

(2) In making regulations under subsection (1), the Minister shall have regard to –

- (a) transactions required to be regulated in conformity with any treaty or agreement relating to international financial transactions to which the Government of Sri Lanka is a signatory;
- (b) the impact of such authorization on the monetary policy of Sri Lanka and its stabilization.

(3) The regulations published under subsection (1) may specify the limit up to which capital transactions may be authorized and the terms and conditions subject to which foreign exchange may be dealt with for the class or classes of capital transactions, so authorized.

(4) Without prejudice to the provisions of section 5, a person shall be entitled to deal in foreign exchange in respect of a capital transaction of such person, through an authorized dealer or to the extent specified in the permit, through a restricted dealer, being capital transactions of a class or classes, which is or are authorized by regulations made under subsection (1).

(5) An authorized dealer or a restricted dealer may deal in foreign exchange for a capital transaction as a principle or an intermediary, being a transaction authorized by regulations made under subsection (1).