

(1), the Central Bank may, temporarily suspend the authorization granted under subsection (1) of section 4 or paragraph (b) of subsection (2) of section 4 or the permit granted under paragraph (a) of subsection (2) of section 4 to deal in foreign exchange.

(3) The Central Bank may, where there is a temporary suspension under subsection (2), after an inquiry, giving the authorized dealer or restricted dealer a reasonable opportunity of being heard and with the approval of the Monetary Board, revoke the authorization or permit granted under section 4.

(4) The Central Bank may in the circumstances referred to in subsection (1), without proceeding to revoke the authorization or the permit under subsection (3), after giving a reasonable opportunity of being heard and where it deems it appropriate taking into consideration all the relevant circumstances—

- (a) require an authorized dealer or restricted dealer who engages in any dealing in relation to foreign assets contrary to the provisions of this Act as referred to in paragraph (b) of subsection (1), to pay to the Central Bank within such time as may be specified in such requirement an amount not exceeding the amount or value of such foreign asset or any part thereof in foreign exchange or Sri Lanka currency together with such expenses incurred by the Central Bank for the detection and investigation of such transaction; or
- (b) impose a limitation on such authorized dealer or restricted dealer who has directly or indirectly been a party to the unauthorized transaction, from dealing in or engaging in current or capital transactions in relation to foreign exchange as the case may be, for a period not exceeding twelve months.

(5) Where any other person, class or classes of persons, not being an authorized dealer or restricted dealer acts in violation of the provisions of paragraphs (a), (b), (c) or (d) of subsection (1), the Central Bank may, upon the Minister being informed, after giving such person a reasonable opportunity of being heard, require such person in writing, to pay as a penalty a sum not exceeding rupees one million or to pay a penalty of an amount not exceeding the amount or value of such current transaction or capital transaction or value of such foreign asset or any part thereof in foreign exchange or Sri Lanka currency together with such expenses incurred by the Central Bank for the detection and investigation of such transaction.

(6) Where the Central Bank revokes an authorization or permit under subsection (3) or requires to pay the sum determined under paragraph (a) of subsection (4) or imposes a limitation under paragraph (b) of subsection (4), the Central Bank shall communicate its decision or determination in writing together with its reasons therefor to such authorized dealer or restricted dealer.

(7) (a) Where any authorized dealer or restricted dealer –

- (i) aggrieved by a revocation of the authorization or permit under subsection (3);
- (ii) aggrieved by the requirement to pay the sum determined under paragraph (a) of subsection (4);
or
- (iii) aggrieved by any limitation imposed under paragraph (b) of subsection (4),

as the case may be, he may within thirty days after such decision or determination is communicated to such dealer, appeal against such revocation or determination to the Board of Inquiry which shall determine such appeal in accordance with the procedure set out in section 13.