

PARLIAMENT OF CEYLON

3rd Session 1967-68



Foreign Exchange Entitlement Certificates Act, No. 28 of 1968

Date of Assent : June 22, 1968

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*Foreign Exchange Entitlement Certificates
Act, No. 28 of 1968*

L. D.—O. 18/68.

AN ACT TO MAKE THE NECESSARY LEGAL PROVISION FOR THE ESTABLISHMENT AND OPERATION BY THE GOVERNMENT OF CEYLON, THROUGH ITS AGENT THE CENTRAL BANK OF CEYLON, OF A SCHEME OF FOREIGN EXCHANGE ENTITLEMENT CERTIFICATES, AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[Date of Assent: June 22, 1968]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. (1) This Act may be cited as the Foreign Exchange Entitlement Certificates Act, No. 28 of 1968.

Short title
and date of
operation.

(2) The provisions of this Act shall be deemed, for all purposes, to have come into operation on May 6, 1968.

2. The Government is hereby authorized to establish and operate, under and in accordance with the provisions of this Act, a Scheme to enable the issue, purchase, sale, surrender, or disposal in any other manner, of foreign exchange entitlement Certificates. Such Scheme is in this Act referred to as "the Scheme".

Authority of the
Government to
establish and
operate a
Scheme for the
issue, &c., of
foreign exchange
entitlement
Certificates.

3. The authority vested in the Government by section 2 shall be exercised by the Central Bank as the agent of the Government, and accordingly such Bank may, in its capacity as such agent, exercise, discharge and perform, subject to such directions as may from time to time be issued in that behalf by the Minister of Finance, all such powers, functions and duties as may be necessary for the purposes of the establishment and operation of the Scheme, and of carrying out and giving effect to the principles and provisions of this Act.

Authority
vested in the
Government by
section 2 to be
exercised by the
Central Bank.

4. (1) Subject to such terms as may be approved by the Minister of Finance from time to time and notified in the *Gazette*, the Central Bank is hereby authorized to issue Certificates from time to time, either directly or on its behalf through any commercial

Authority of the
Central Bank
to issue
Certificates,
and form, &c.,
of such
Certificates.

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bank. The form, design, inscription, dimensions and other characteristics of such Certificates shall be as determined by the Central Bank from time to time.

(2) Every Certificate—

(a) shall bear the signature in facsimile of the Chief Accountant of the Central Bank, and such number of manual signatures as may be determined by directions;

(b) shall be stated on the face thereof to be issued by, or for and on behalf of the Central Bank;

(c) shall be valid for such period as shall be specified therein; and

(d) shall bear on the face of it an amount expressed in terms of Ceylon rupees.

Entitlement
of the holder
of a valid
Certificate.

5. The holder of a valid Certificate shall be entitled, upon the surrender thereof to an authorized dealer, to purchase foreign exchange for such purposes, and subject to such terms, as may be approved by the Government from time to time and notified in the *Gazette*.

Offences.

6. (1) Any person who, without the authority of the Central Bank,—

(a) cuts, perforates, or in any other way whatsoever mutilates any Certificate; or

(b) prints, stamps, or draws anything upon any Certificate, or affixes any seal or stamp to or upon any Certificate: or

(c) attaches or affixes to or upon any Certificate anything in the nature or form of an advertisement,

shall be guilty of an offence under this Act.

(2) Any person who forges any Certificate shall be guilty of an offence under this Act.

Expenses of the
administration
of this Act.

7. All expenses incurred in the administration of this Act, and in particular but without prejudice to the generality of the foregoing provisions of this section, all expenses incurred in the establishment and operation of the Scheme and the printing of Certificates and the payment to commercial banks of such commissions or fees as may be determined by the Central Bank, shall be paid out of the Consolidated Fund.

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8. (1) For the purposes of this Act, there shall be opened and maintained in the Central Bank in the name of the Government an account to be called the "Foreign Exchange Entitlement Certificate Account", in this Act referred to as "the Account".

Opening of a special account in the Central Bank for the purposes of this Act.

(2) There shall be credited to the Account all such sums of money as may, from time to time, be withdrawn from the Consolidated Fund for the purpose of being credited to the Account, and all other sums received by the Central Bank for and on behalf of the Government in the course of the administration of this Act.

(3) There shall be paid out of the Account all the expenses referred to in section 7.

(4) Any monies lying in the Account may be transferred to the Consolidated Fund from time to time as determined by the Minister of Finance.

9. (1) The Central Bank may issue directions for the purpose of carrying out or giving effect to the principles and provisions of this Act to commercial banks, authorized dealers, approved acceptors or other persons.

Directions by Central Bank.

(2) In particular, but without prejudice to the generality of the powers conferred by sub-section (1), the Central Bank may issue directions to commercial banks, authorized dealers, approved acceptors or other persons for or in respect of all or any of the following matters:—

- (a) any matter for which directions are authorized by this Act to be issued;
- (b) any matter relating to the establishment and operation of the Scheme in respect of which the provisions of this Act need to be supplemented; and
- (c) any matter connected with or incidental to any of the aforesaid matters.

(3) Any person who contravenes or fails to comply with any direction issued by the Central Bank under this Act shall be guilty of an offence under this Act.

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Penalties for offences.

10. (1) Any person who is guilty of an offence under this Act shall be liable, on conviction after summary trial before a Magistrate, to imprisonment of either description for a term not exceeding two years or to a fine not exceeding ten thousand rupees, or to both such imprisonment and such fine.

(2) Any person who attempts to commit, or does any act preparatory to the commission of, any offence under this Act shall be deemed to be guilty of such offence.

Offences by bodies of persons.

11. Where a person convicted of an offence under this Act is a body of persons, then,—

(a) if such body is a firm, every person who at the time of the commission of the offence was a partner of that firm; or

(b) if such body is a body corporate, every person who at the time of the commission of the offence was a director or other officer of such body,

shall be deemed to be guilty of that offence unless he proves that the offence was committed without his knowledge, or that he exercised all due diligence to prevent the commission of such offence.

Offences to be cognizable.

12. All offences under this Act shall be cognizable offences within the meaning and for the purposes of the Criminal Procedure Code.

Prosecution by, or with the sanction of, the Central Bank.

13. No prosecution for an offence under this Act shall be instituted except by, or with the written sanction of, the Governor of the Central Bank.

Powers, &c., of Central Bank, vested in the Monetary Board.

14. The powers, duties and functions of the Central Bank under this Act shall vest in the Monetary Board, and accordingly any such power, duty or function may be exercised, performed and discharged by the Monetary Board.

Powers, &c., of Monetary Board by whom exercisable.

15. Any power, duty or function of the Central Bank under this Act which is vested in the Monetary Board by section 14, may be exercised, performed or discharged on its behalf by the Governor of the Central Bank, or by any officer of the Bank acting under the general or special directions of the Governor of the Central Bank.

16. The Governor of the Central Bank may accept from any person who is reasonably suspected of having committed an offence under this Act, by way of composition for the offence which may have been committed, either such sum of money, not exceeding one hundred thousand rupees, as may be specified in a notice sent by post or otherwise delivered to such person by the Governor if the sum as specified is tendered by such person before the expiry of fourteen days after the date of such notice, or the sum so specified and such additional amount, not exceeding ten *per centum* of the sum so specified, as may be determined by the Governor, if the sum so specified and the additional amount so determined are tendered by such person before the expiry of twenty-eight days after the date of such notice. Any sum so accepted by the Governor shall be credited by him to the Account.

Power to compound.

17. (1) Where in any proceedings in any court it has to be determined whether a document purporting to be a foreign exchange entitlement Certificate is an imitation of such a Certificate, a certificate under the hand of the Governor of the Central Bank or, if the Governor is temporarily absent from duty or temporarily unable to perform his functions and duties, a certificate under the hand of the Deputy Governor for the time being acting as the chief executive officer of the Central Bank, to the effect that such document is an imitation of a foreign exchange entitlement Certificate issued by, or for and on behalf of the Central Bank of Ceylon, shall be received in those proceedings as conclusive evidence of the fact that such document is an imitation of a foreign exchange entitlement Certificate.

Conclusive evidence of imitation of a Certificate.

(2) The Governor or the Deputy Governor of the Central Bank who issues a certificate under this section shall not be examined or cross-examined with respect to that certificate.

(3) Every certificate issued under this section shall be in the following form:—

I,, Governor of the Central Bank of Ceylon, */Deputy Governor for the time being acting as the chief executive officer of the Central Bank of Ceylon, do hereby certify that I have examined the document marked which purports to be a foreign exchange entitlement

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Certificate issued for an amount of
and bearing number and dated
and that such document is an imitation of a foreign
exchange entitlement Certificate and is not a foreign
exchange entitlement Certificate issued by, or for
and on behalf of the Central Bank of Ceylon.

Signature:

Date:

(*Delete inapplicable words).

Special
provisions
relating to
the grant of
permission,
&c., under
the Exchange
Control Act.

Interpretation.

18. Any permission, consent or authority granted by the Controller of Exchange under the Exchange Control Act may be made conditional on the surrender of any foreign exchange entitlement Certificate or Certificates.

19. In this Act, unless the context otherwise requires—

“ approved acceptor ” means a person authorized by the Controller of Exchange to accept foreign exchange;

“ authorized dealer ” means a commercial bank for the time being authorized under section 4 of the Exchange Control Act;

“ Central Bank ” means the Central Bank of Ceylon established under the Monetary Law Act;

“ Certificate ” means a foreign exchange entitlement Certificate;

“ Chief Accountant of the Central Bank ” includes the person for the time being acting as the Chief Accountant of the Central Bank;

“ commercial bank ” has the same meaning as in section 127 (1) of the Monetary Law Act;

“ foreign exchange entitlement Certificate ” means a foreign exchange entitlement Certificate issued by, or for and on behalf of the Central Bank under this Act, and which authorizes the holder of such Certificate, upon the surrender thereof during the period of its validity to any authorized dealer, to purchase foreign exchange for such purposes, and subject to such terms, as may be approved by the Government from time to time and notified in the *Gazette*;

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“ Governor ” means the Governor of the Central Bank, and includes the Deputy Governor for the time being acting as the chief executive officer of that Bank;

“ terms ” includes conditions;

“ this Act ” includes any directions issued thereunder;

“ valid Certificate ” means a Certificate which is for the time being valid.

20. The provisions of this Act shall be in addition to and not in derogation of the provisions of the Monetary Law Act or the Exchange Control Act:

Provided, however, that in the event of any conflict or inconsistency between the provisions of this Act and the provisions of the Monetary Law Act or the Exchange Control Act, the provisions of this Act shall to the extent of such conflict or inconsistency prevail over the provisions of the Monetary Law Act or the Exchange Control Act.

This Act to
prevail over
the Monetary
Law Act or
the Exchange
Control Act.