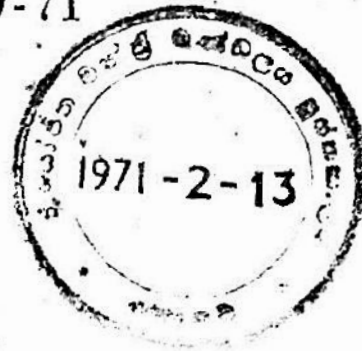


PARLIAMENT OF CEYLON

1st Session 1970-71



Foreign Exchange Amnesty Act, No. 1 of 1971

Date of Assent : January 21, 1971

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Foreign Exchange Amnesty Act, No. 1 of 1971

L. D.—O. 56/70

AN ACT TO PROVIDE FOR THE MAKING OF DECLARATIONS ON OR BEFORE MARCH 31, 1971, OF ALL MOVABLE OR IMMOVABLE PROPERTY OUTSIDE CEYLON HELD BY PERSONS RESIDENT IN CEYLON IN CONTRAVENTION OF THE PROVISIONS OF THE LAW FOR THE TIME BEING IN FORCE RELATING TO EXCHANGE CONTROL, TO ENABLE ALL SUCH PROPERTY WHICH IS SO DECLARED TO BE DEALT WITH OR DISPOSED OF IN ACCORDANCE WITH SUCH DIRECTIONS AS MAY BE ISSUED FROM TIME TO TIME BY THE COMPETENT AUTHORITY IN ORDER TO GIVE FULL FORCE AND EFFECT TO THE EXCHANGE CONTROL POLICY OF THE GOVERNMENT AND THE PROVISIONS OF THIS ACT, TO INDEMNIFY THE PERSONS WHO HAVE MADE SUCH DECLARATIONS AGAINST LIABILITY TO PENALTIES OR PROSECUTIONS UNDER THE PROVISIONS OF THAT LAW, TO EXEMPT SUCH PERSONS FROM LIABILITY TO PAY INCOME TAX ON ALL SUCH PROPERTY SO DECLARED UNDER THE LAW FOR THE TIME BEING IN FORCE RELATING TO INCOME TAX, AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[Date of Assent : January 21, 1971]

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. This Act may be cited as the Foreign Exchange Amnesty Act, No. 1 of 1971.

Short title.

2. (1) The succeeding provisions of this Act shall apply to any person resident in Ceylon who, on the date of the commencement of this Act, holds foreign assets which were acquired or possessed by him in consequence of any contravention of the provisions of the law for the time being in force relating to exchange control, other than any such person—

Application of Act.

(a) whose conduct or activities is or are in the course of being investigated under that law for any alleged or suspected contravention of any provisions of that law ; or

(b) against whom any suit or prosecution is pending before any Court for any alleged contravention of any provisions of that law.

(2) Every person to whom the succeeding provisions of this Act apply by virtue of the operation of sub-section (1) is hereafter in this Act referred to as a "person to whom this Act applies".

Opportunity given to persons to whom this Act applies to make declarations.

3. (1) A person to whom this Act applies may, on or before March 31, 1971, make a declaration in writing to the competent authority in respect of his foreign assets. Such declaration shall,—

- (a) if such person is an individual, be made by him ; or
- (b) if such person is a company or a body of persons, be made by the secretary, manager or other principal officer of such company or body of persons ; or
- (c) if such person is a partnership, be made by any partner of such partnership.

Such declaration is hereafter in this Act referred to as a "declaration".

(2) A declaration shall set out—

- (a) the full name and address of the person making the declaration ; and
- (b) all such particulars relating to his foreign assets specified in the declaration as may be required by the competent authority.

Power of competent authority to issue directions in respect of foreign assets specified in declarations.

4. Where any person to whom this Act applies makes a declaration of his foreign assets, the competent authority shall issue to such person, from time to time, relevant directions in respect of such assets.

5. The following provisions shall apply in the case of a person to whom this Act applies who has, in respect of the foreign assets disclosed by him, complied with the relevant directions issued to him by the competent authority :—

Special provisions applicable to persons to whom this Act applies who have complied with the relevant directions issued to them in respect of their foreign assets.

- (a) such person shall not be liable to any prosecution for an offence, or to any penalties, for any contravention of the provisions of the law for the time being in force relating to exchange control in respect of such assets ; and
- (b) such person shall be exempt from the liability to pay, under the law for the time being in force relating to income tax, income tax on the income arising out of such assets :

Provided, however, that the preceding provisions of this paragraph shall not apply to any person who has been assessed to income tax on the income arising out of such assets, or where such assets or matters connected therewith are under investigation by the Commissioner of Inland Revenue or any other officer of the Department of Inland Revenue.

6. (1) The competent authority may, from time to time, issue to any person to whom this Act applies who has made a declaration of his foreign assets, or to any authorized dealer, all such general or special directions as such authority may deem necessary to give full force and effect to the exchange control policy of the Government and the provisions of this Act, and in particular, but without prejudice to the generality of the preceding provisions of this sub-section, as to the mode and manner in which such assets shall be dealt with or disposed of.

Power of competent authority to issue directions.

(2) Any general or special directions issued by the competent authority under sub-section (1) to a person to whom this Act applies, or to any authorized dealer, shall be complied with by such person, or such dealer, as the case may be.

(3) Any general or special directions issued by a competent authority under sub-section (1) may be amended or revoked, from time to time, by like directions.

Special provisions applicable to persons to whom this Act applies and who prior to October 25, 1970, have ceased to possess foreign assets.

7. Where a person on or before March 31, 1971, satisfies the competent authority that prior to October 25, 1970, he ceased to hold the whole or any part of the foreign assets acquired or possessed by him in consequence of any contravention of the provisions of the law for the time being in force relating to exchange control, such person shall not be liable to any prosecution for an offence, or to any penalties, for the contravention of such provisions, if, but only if, such person pays to the Commissioner of Inland Revenue as income tax on the foreign assets he has so ceased to hold an amount equal to thirty-three and one-third *per centum* of the value of such foreign assets.

Maintenance of secrecy.

8. (1) The competent authority and every officer or servant of the Department of Exchange Control of the Central Bank shall preserve and aid in preserving secrecy with regard to all matters that may come to his knowledge in the performance of his duties under this Act.

(2) If the competent authority or any officer or servant of the Department of Exchange Control of the Central Bank communicates any matter referred to in sub-section (1) to any person other than—

- (a) a Court ; or
- (b) the person to whom that matter relates or his authorized representative ; or
- (c) the Monetary Board ; or
- (d) the Governor of the Central Bank or an officer authorized by such Governor to obtain information regarding that matter ; or
- (e) the Commissioner of Inland Revenue or an officer of the Department of Inland Revenue for the purpose of securing compliance with, or detecting evasion of, any provision of written law relating to the imposition of income tax ; or
- (f) the Permanent Secretary to the Ministry of Finance,

such competent authority or officer or servant shall be guilty of an offence and shall on conviction after summary trial before a Magistrate be liable to a fine not exceeding two thousand rupees.

9. In this Act, unless the context otherwise requires— Interpretation.

“authorized dealer” has the same meaning as in the provisions of the law for the time being in force relating to exchange control ;

“competent authority” means the Governor of the Central Bank of Ceylon, and includes any officer of the Bank authorized by such Governor to act on behalf of such Governor ;

“foreign assets” means any movable or immovable property, outside Ceylon, of any class or description whatsoever and, without prejudice to the generality of the preceding provisions of this definition, includes foreign exchange, foreign currency, gold and securities, as defined in the provisions of law for the time being in force relating to exchange control ;

“law for the time being in force relating to income tax” means the Income Tax Ordinance and the Inland Revenue Act, No. 4 of 1963, as amended from time to time by any other Act ;

“law for the time being in force relating to exchange control” means the Exchange Control Act, as amended from time to time by any other Act ;

“relevant directions” means any general or special directions issued by the competent authority under section 6.