



**FOREIGN EXCHANGE ENTITLEMENT
CERTIFICATES (REPEAL)
LAW, No. 17 OF 1977
OF
THE NATIONAL STATE ASSEMBLY**

[Certified on 15th November, 1977]

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*Foreign Exchange Entitlement Certificates
(Repeal) Law, No. 17 of 1977*

[Certified on 15th November, 1977]

L. D.—O. 89/77.

A LAW TO REPEAL THE FOREIGN EXCHANGE ENTITLEMENT
CERTIFICATES ACT, NO. 28 OF 1968, AND TO
PROVIDE FOR CERTAIN CONSEQUENTIAL MATTERS.

BE it enacted by the National State Assembly of the
Republic of Sri Lanka as follows :—

1. This Law may be cited as the Foreign Exchange
Entitlement Certificates (Repeal) Law, No. 17 of 1977.

Short title.

2. (1) The Foreign Exchange Entitlement Certifi-
cates Act, No. 28 of 1968, is hereby repealed.

Repeal of
Act No. 28
of 1968.

(2) Notwithstanding the repeal of the Foreign
Exchange Entitlement Certificates Act, No. 28 of
1968, the following provisions shall apply in relation
to every contract entered into with any commercial
bank which remains unfulfilled on the midnight of
November 15/16, 1977, for the purchase or the sale of
Foreign Exchange Entitlement Certificates or for the
purchase or sale of foreign exchange or for the
purchase or sale of Foreign Exchange Entitlement
Certificates and for the purchase or sale of foreign
exchange in respect of any transaction where the
person entering into such contract is entitled or re-
quired to purchase Foreign Exchange Entitlement
Certificates in respect of such transaction:—

(a) Where a person has entered into a contract with
a commercial bank for the sale of foreign
exchange and a contract for the issue of
Foreign Exchange Entitlement Certificates in
respect of the same transaction, such person
shall be entitled to receive payment in Sri
Lanka currency of an amount calculated at
the exchange rate specified in the contract
for the sale of foreign exchange and an
amount equivalent to the value of the Foreign
Exchange Entitlement Certificates calculated
at the rate specified in the contract for the
issue of Foreign Exchange Entitlement
Certificates.

(b) Where a person has entered into a contract with
a commercial bank for the sale of foreign
exchange in respect of any transaction but

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has not entered into a contract for the issue of Foreign Exchange Entitlement Certificates in respect of such transaction, being a transaction in respect of which he was entitled to the issue of Foreign Exchange Entitlement Certificates, such person shall, in respect of such transaction, be entitled to receive payment in Sri Lanka currency only of an amount calculated at the exchange rate specified in such contract and an amount equivalent to the value of the Foreign Exchange Entitlement Certificates to which such person would have been entitled, calculated at the rate which prevailed at the date of such contract.

(c) Where any person has entered into a contract with a commercial bank for the issue of Foreign Exchange Entitlement Certificates in respect of any transaction, but has not entered into a contract for the sale of foreign exchange in respect of such transaction, such person shall in respect of such transaction, be entitled to receive payment in Sri Lanka currency only of an amount calculated at the exchange rate which prevailed on the date on which he entered into such contract, and an amount equivalent to the value of the Foreign Exchange Entitlement Certificates calculated at the rate specified in such contract.

(d) Where a person has entered into a contract with a commercial bank for the purchase of foreign exchange and a contract for the issue of Foreign Exchange Entitlement Certificates in respect of the same transaction, such person shall be entitled to purchase foreign exchange calculated at the exchange rate specified in the contract for the purchase of foreign exchange and in the event of such purchase, he shall be required to pay in addition, an amount equivalent to the value of the Foreign Exchange Entitlement Certificates calculated at the rate specified in the contract for the issue of Foreign Exchange Entitlement Certificates.

(e) Where a person has entered into a contract with a commercial bank for the purchase of foreign exchange in respect of any transaction but has not entered into a contract for the issue of Foreign Exchange Entitlement Certificates in respect of such transaction, being a transaction which required the surrender of Foreign Exchange Entitlement Certificates, he shall in respect of such transaction be entitled to purchase foreign exchange at the exchange rate specified in such contract provided that he pays in addition, an amount equivalent to the value of Foreign Exchange Entitlement Certificates calculated at the rate which prevailed at the date of such contract.

(f) Where any person has entered into a contract with a commercial bank for the issue of Foreign Exchange Entitlement Certificates in respect of any transaction but has not entered into a contract for the purchase of foreign exchange in respect of such transaction, such person shall, in respect of such transaction, be entitled to purchase foreign exchange calculated at the exchange rate which prevailed on the date on which he entered into such contract provided that he pays an amount equivalent to the value of the Foreign Exchange Entitlement Certificates calculated at the rate specified in such contract.

(3) All profits and losses and receipts and payments—

(a) arising from the operation of the preceding provisions of this section; or

(b) which but for the repeal of the Foreign Exchange Entitlement Certificates Act, No. 28 of 1968, would have been paid into, or out of, the Foreign Exchange Entitlement Certificate Account established under that Act,

shall be paid into, or charged on, the Consolidated Fund.

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Power of
Governor to
issue
directions
in cases of
hardship.

3. (1) Where any hardship is caused to any person in consequence of the repeal of the Foreign Exchange Entitlement Certificates Act, No. 28 of 1968, in respect of any transaction not provided for in section 2 of this Law, it shall be competent to the Governor to issue to any commercial bank, such directions as he may deem just and equitable in the circumstances of the case:

Provided however, it shall not be competent for the Governor to issue any such direction on or after January 1, 1978, unless the person affected or his agent makes an application to the Governor for relief before such date.

(2) Any sum paid in pursuance of a direction issued under subsection (1) shall be a charge on the Consolidated Fund.

Directions by
Central
Bank.

4. The Central Bank of Ceylon may issue directions for the purpose of carrying out or giving effect to the principles and provisions of this Law to commercial banks, authorized dealers, approved acceptors or other persons.

Interpretation

5. In this Law, unless the context requires—

“ 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 the Foreign Exchange Entitlement Certificates Act, No. 28 of 1968;

“ Governor ” means the Governor of the Central Bank of Ceylon and includes a Deputy Governor.