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1st Session 1970-71



Exchange Control (Amendment) Act, No. 17 of 1971

Date of Assent : March 24, 1971

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*Exchange Control (Amendment)
Act, No. 17 of 1971*

L. D.—O. 30/70.

AN ACT TO AMEND THE EXCHANGE CONTROL ACT.

[Date of Assent: March 24, 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 Exchange Control (Amendment) Act, No. 17 of 1971.

Short title.

2. Section 6 of the Exchange Control Act, hereinafter referred to as the "principal Act", is hereby amended as follows:—

Amendment of
section 6 of
the Exchange
Control Act
(Chapter 423).

(1) by the repeal of sub-section (1) of that section, and the substitution therefor, of the following new sub-section:—

‘ (1) The foreign exchange to which this section applies is such foreign exchange (hereafter in this Act referred to as the "specified foreign exchange") as may be prescribed. ’;

(2) by the repeal of sub-section (2) of that section, and the substitution therefor, of the following new sub-section:—

“ (2) The bank may require any person in, or resident in, Ceylon—

(a) who owns or holds any specified foreign exchange to offer it or cause it to be offered for sale to an authorized dealer at a price determined by the Monetary Board, or

(b) who is entitled to assign any right to receive any specified foreign exchange to transfer such right to the Deputy Secretary to the Treasury on payment of such consideration as the Monetary Board may fix,

unless the bank consents to his retention and use of such foreign exchange or he disposes of such foreign exchange to any person with the permission of the bank.” ;

(3) in sub-section (3) of that section—

(a) by the substitution, for the words “specified foreign currency”, of the words “specified foreign exchange”;

(b) by the substitution, for the words “requires that gold or currency”, of the words “requires that gold or exchange”; and

(c) by the substitution, for the words “to that gold or currency”, of the words “to that gold or exchange”;

(4) in sub-section (4) of that section—

(a) by the substitution, for the words “specified foreign currency”, of the words “specified foreign exchange”;

(b) by the substitution, for the words “of that gold or currency”, of the words “of that gold or exchange”; and

(c) by the substitution, for the words “for that gold or currency”, of the words “for that gold or exchange”;

(5) in sub-section (5) of that section, by the substitution, for the words “specified foreign currency”, of the words “specified foreign exchange”;

(6) in sub-section (6) of that section—

(a) by the substitution, for the words “specified foreign currency”, of the words “specified foreign exchange”;

(b) by the substitution, for the words “direct that that gold or currency”, of the words “direct that that gold or exchange”; and

(c) by the substitution, for the words “for that gold or currency”, of the words “for that gold or exchange”;

(7) in sub-section (7) of that section, by the substitution, for the words “the gold or currency”, of the words “the gold or exchange”; and

(8) in the marginal note to that section, by the substitution, for the words “specified foreign currency”, of the words “specified foreign exchange”.

3. The principal Act is hereby amended by the insertion, immediately after section 6 thereof, of the following new section which shall have effect as section 6A of that Act:—

Insertion of
new section
6A in the
principal
Act.

" Possession
of foreign
currency.

6A. Except with the permission of the bank, no person shall have in his possession any foreign currency."

4. The following new Part is hereby inserted immediately after Part I of the principal Act:—

Insertion of
new Part IA
in the
principal
Act.

' PART IA

CONTROL OF FOREIGN ASSETS

Accounts in
foreign
banks.

6AA. (1) No person in, or resident in, Ceylon shall, except with the permission of the bank,—

(a) open an account with any bank or institution doing any kind of banking business outside Ceylon (hereinafter referred to as a "foreign bank");

(b) continue to maintain, or operate on, an account which has already been opened in any foreign bank; or

(c) close an account with any foreign bank.

(2) Where an account maintained by a person in, or resident in, Ceylon with any foreign bank is closed, such person shall not dispose of the funds to his credit at such foreign bank at the time of closing of such account, except in accordance with such directions as may from time to time be given to him by the Central Bank.

Foreign
assets.

6AB. Every person in, or resident in, Ceylon who, on the date of commencement of this Act, holds, or who, after such date, acquires by way of purchase, gift, testamentary disposition or otherwise, any foreign assets—

(a) shall, within one month of the commencement of this Act or the acquisition of the assets, as

the case may be, render to the bank a return in such manner and giving such particulars with respect to the assets as may be prescribed; and

(b) shall not dispose of such assets or part thereof in any manner whatsoever except in accordance with such directions as may be given to him by the bank."

Amendment
of section 17
of the
principal Act.

5. Section 17 of the principal Act is hereby amended as follows:—

(1) in sub-section (1) of that section, by the substitution, for the words "in a specified foreign currency" wherever those words occur collectively in that sub-section, of the words "in any foreign currency"; and

(2) by the repeal of sub-section (2) of that section, and the substitution therefor, of the following new sub-section:—

"(2) Except with the permission of the Minister, no person shall, in Ceylon, and no person resident in Ceylon shall, outside Ceylon, acquire, hold or transfer any security to which this section applies or do anything which affects his rights or powers in relation to any such security."

Amendment
of section 26
of the
principal Act.

6. Section 26 of the principal Act is hereby amended as follows:—

(1) by the substitution, for the words "specified foreign currency" wherever those words occur collectively in that section, of the words "specified foreign exchange"; and

(2) by the substitution, for the words "that currency", of the words "that exchange".

Amendment of
section 38
of the
principal Act.

7. Section 38 of the principal Act is hereby amended, in paragraph (b) of that section, by the substitution for the words "specified foreign currency", of the words "specified foreign exchange".

8. Section 54 of the principal Act is hereby amended as follows:—

Amendment of
section 54
of the
principal Act.

- (1) by the substitution for the definition of “ Ceylon currency ”, of the following new definition:—

“ “ Ceylon currency ” means currency which is expressed or drawn in Ceylon rupees; ”;

- (2) in the definition of “ currency ”, by the substitution for the words “ means coins and currency notes, and includes bank notes, ”, of the words “ includes coins, currency notes, bank notes, ”;

- (3) by the insertion, immediately after the definition of “ currency ”, of the following new definition:—

“ “ 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; ”;

- (4) by the substitution, for the definition of “ foreign currency ”, of the following new definition:—

“ “ foreign currency ” means any currency other than Ceylon currency and includes any currency payable by a foreign Government or institution to a person in, or resident in, Ceylon in respect of his pension or other gratuities due to him; ”;

- (5) by the insertion, immediately after the definition of “ foreign currency ”, of the following new definition:—

“ “ foreign exchange ” means foreign currency and includes all deposits, credits and balances payable in any foreign currency, and any such

drafts, travellers' cheques, letters of credit and bills of exchange as are expressed or drawn in Ceylon currency but payable in any foreign currency; ' and

(6) by the substitution for the definition of "specified foreign currency", of the following new definition:—

‘ “specified foreign exchange” has the meaning assigned to it by section 6;’.