

Confidential

**APPLICATION TO BE APPOINTED AS RESTRICTED DEALERS (RDs)
TO ENGAGE IN MONEY CHANGING BUSINESS UNDER
THE FOREIGN EXCHANGE ACT, NO. 12 OF 2017
(For Limited Companies)**

Name of the Applicant :

Instructions

- 1) Eligible criteria and other terms and conditions for appointment as a RDs to carry on money changing business under the Foreign Exchange Act, No. 12 of 2017 are given at **Schedule I and Schedule II** respectively.
- 2) It is required to indicate “Application for Appointment as a Restricted Dealer” on the top left hand corner of the envelope.
- 3) All applications should be typewritten or written in clear block letters.
- 4) If the space provided is not adequate to give full details pertaining to the relevant item of the application, please use a separate sheet of paper. Such sheets should carry a cross reference to the relevant item. If an item is not applicable it must be clearly stated.
- 5) Every page of the application duly filled including annexures should be initialed by at least two Directors.
- 6) All documents and statements (except audited accounts) submitted with the application should be certified as true copy. Audited accounts should be certified by the auditor of the company.
- 7) Any application submitted with incomplete or incorrect information will be rejected.
- 8) Duly filled application signed by all members of the Board of Directors of the applicant company along with the other required documents set out in **Schedule III** should be submitted to:

*The Director
Department of Foreign Exchange
Central Bank of Sri Lanka
No. 30, Janadhipathi Mawatha
Colombo 01
Sri Lanka*

**APPLICATION FOR A MONEY CHANGING PERMIT UNDER THE
FOREIGN EXCHANGE ACT, NO. 12 OF 2017**

To : The Director
Department of Foreign Exchange
Central Bank of Sri Lanka
No. 30, Janadhipathi Mawatha
Colombo 01
Sri Lanka

.....
(Name of the Company)
of
(Address)
.....

do hereby apply for a permit (tick your requirement in a correct box) * ;

- i to **buy and exchange** foreign currency
- ii to **buy, sell and exchange** foreign currency

in terms of the provisions of Section 4 (2) of the Foreign Exchange Act, No. 12 of 2017. The following information and documents are furnished in support of the application.

1	General Information of the Company	
1.1	Date of incorporation as a company	
1.2	Business objectives of the company	
1.3	Date of commencement of business	
1.4	Address of the Registered Office	
1.5	Address of the Head/Administrative Office (Attach the list of branch office(s) proposed to commence money changing business as Annex I . If you wish to commence the business at the Head Office too, include it in Annex I)	
1.6	Main lines of business	
1.7	No. of Directors (Attach the list of directors separately as Annex II)	

1.8	Shareholding Structure of the Applicant Company as at the date of application	
1.8.1	Total number of shares	
1.8.2	Total Number of shareholders (Attach the list of shareholders separately as Annex III)	
1.9	Ultimate beneficial owner/s (Attach the list of ultimate beneficial owners separately as Annex IV)	
1.10	Name, address and contact details of the Secretary of the company	
1.11	Name, address and contact details of the Auditor of the company	
1.12	Whether the company is a subsidiary or an associate of another company or a member of a group of companies	
1.13	If so, provide details of the Holding Company	

2. Stated Capital confirmed by the company's external auditor

(As at end of the last three financial years and at end of the month immediately preceding the month in which the application is made.) (**In Rupees 000'**)

	Item	20...	20....	20...	As at
2.1	Stated Capital (Issued and fully paid up Ordinary Shares for cash)				
2.2	General reserves and other free reserves				
2.3	Accumulated profit or loss as shown in last audited statement of accounts.				
2.4	Unpublished current year's profits/(losses) subject to certification by the company's external auditor				
2.5	Total Capital (sum from 2.1 to 2.4)				

We confirm that information provided under No. 02 above is true and accurate with respect to capital and reserves of the..... (Name of the Company).

Date:

.....
Name, Signature & Seal of the Auditor

We declare that we have taken note of all relevant sections of the Foreign Exchange Act No. 12 of 2017 and that the particulars stated in this application have been verified and are complete in all aspects, and that the particulars to our knowledge and belief is true and accurate.

Further, we confirm that we have attached all documents/information as per the **Schedule III**.

For and on behalf of
(Applicant Company)

	Names of Director	Residential Address	NIC/Passport No.	Signature
1				
2				
3				
4				
5				

Date:

.....
(Common seal of the company)

Information on Existing Branches

(Use separate papers if additional space is required)

	City	District	Address and Contact Details
1			
2			
3			
4			
5			

List of Directors

	Full Name of the Directors	Residential Address	NIC No./ Passport No.	Date of appointment to the applicant company	Details of the any other businesses of the Director	For office use
1						
2						
3						
4						
5						

List of Shareholders

	Full Name of the Shareholder <i>(Please indicate in the descending order of shareholding)</i>	Residential Address	NIC/ Passport No.	No. of Shares	Share Value	For office use
1						
2						
3						
4						
5						

List of Ultimate Beneficial Owners

	Full Name of the Beneficial Owners <i>(Please indicate in the descending order of ownership)</i>	Residential Address	NIC No./ Passport No.	For Office Use
1				
2				
3				
4				
5				

Criteria to be appointed as a RD to engage in money changing business under the Foreign Exchange Act, No. 12 of 2017

1. Minimum Capital Requirement

- 1.1 The money changing business should be conducted only by a company incorporated in Sri Lanka with a minimum stated capital as indicated below:

Table 1: Minimum Capital

Place of Business	Annual Minimum Capital Requirement (Rs.)
Shopping Malls, Star Class Hotels and International Airports	5 million
Any other places	15 million

- 1.1 If a Money Changer wishes to have branches, two branches may be opened without additional capital, provided that one branch is established outside the Western Province.
- 1.2 More than two branches may be permitted subject to a further contribution of Rs. 5 Mn for the capital of each new branch.

2. Directors, substantive shareholders (persons who hold more than 10% of the total shareholding of the company), ultimate beneficial owners and management (persons who hold managerial positions of the company)

2.1 Assessment of Fitness and Propriety

- i. The directors, substantive shareholders, ultimate beneficial owners and management of the money changing company should be fit and proper persons to conduct money changing activities. In assessing the fitness and propriety of such persons, the matters specified in **Annex V** shall be considered by the Director of the Department of Foreign Exchange. The respective directors, substantive shareholders, ultimate beneficial owners and management shall submit affidavits as per the format given in **Annex VI**.
- ii. Police clearance certificates shall be submitted to the Director of the Department of Foreign Exchange as follows:
- a) Directors, substantive shareholders, ultimate beneficial owners and management of new companies - at the time of submitting their applications for engaging in money changing business.

- b) Directors, substantive shareholders, ultimate beneficial owners and management of existing Money Changers - annually at the time of submitting requests for new money changing permits for the following year.
- c) At any subsequent change of a director/substantive shareholder/ultimate beneficial owner/management of a Money Changer - with immediate effect from such change.

2.2 Tax Requirement

Two directors of the company should be income tax payers, paying tax of not less than Rs. 60,000 each per annum and documentary evidence confirming their latest tax payments should be produced along with the application. In the event the directors are paying APIT tax, they may be treated as income tax payers.

3. Annual Turnover

Table 2: Annual Turnover

Period in the Business	Minimum annual turnover requirement per outlet (US\$ mn)			
	permitted only for buying & exchanging		permitted for buying, exchanging & selling *	
	Within the Western Province	Outside the Western Province	Within the Western Province	Outside the Western Province
Initial 2 years (on prorata basis) - For new money changing outlets at Shopping malls, Star Class Hotels and International Airport	0.75	0.5	3.5	3
- Other MCOs	1.5	1	4	3
3 rd & 4 th Year	2.25	1.5	5	4
From 5 th Year onwards	3	2	8	7

*Subject to a limit of US\$ 5,000 per transaction

If the company fails to raise respective income, a new permit will not be granted for the following year on the expiration of the validity of the existing permit.

4. Business

Carrying on money changing business should be one of the primary objectives of the company.

5. Place of business

- 5.1 The place of business should be conducive for money changing business and operations relating to money changing business should be carried out at a separate counter which is used exclusively for the said business and physically separated from all other businesses. This business should not be integrated with any other business of the business place.
- 5.2 By new companies and for establishing new branches of existing Money Changers, a police clearance should be submitted along with their applications for engaging in money changing business at the proposed location.

6. Bank Accounts

A separate bank account should be opened with a Licensed Commercial Bank to surrender the foreign currency purchased by the Money Changer during the course of their business activities, within a period of five working days.

7. Automation / Computerization

- 7.1 All Money Changers are required to implement automated systems by installing suitable operating software for conducting their business processes including the printing of customer receipts, maintaining the daily balance statements and the purchase register and preparing monthly statements of transactions and deposits.
 - 7.2 The money changing activities will be monitored by the Department of Foreign Exchange through a Closed-Circuit Television System (CCTV) installed at the proposed place of business as per the specification given in **Annex VII**.
 - a) The stated capital of the company may be used to meet expenses relating to installation of the CCTV monitoring system and automation/computerization process.
 - b) The installation of CCTV and readiness of computerization will be checked prior to issuing the permit.
- 8.** The Central Bank of Sri Lanka reserves the right to impose any other terms and conditions other than those mentioned above.

Criteria for the assessment of Fitness and Propriety of the directors, substantive shareholders (persons who hold more than 10% of total shareholding of the company), ultimate beneficial owners and management (persons who are in managerial positions of the company) of the Money Changers:

- a. that such person possesses academic or professional qualifications or effective experience in banking, finance, business or administration or of any other relevant discipline;
- b. that the age of a person who serves as a director of the Money Changer shall not exceed 70 years and only one (01) director aged 70 years or above may be considered for a company;
- c. that such person is not being subjected to an investigation or inquiry involving any offence/non-compliance under the Penal Code or any other law, conducted by the police, any regulatory or supervisory authority, professional association, Commission of Inquiry, tribunal or other body established by law, in Sri Lanka or abroad;
- d. that such person is not found by any court of law, regulatory or supervisory authority, professional association, Commission of Inquiry, tribunal or other body established by law in Sri Lanka or abroad, to the effect that such person has committed or has been connected with the commission of, any offence under the Penal Code or any other law, improper conduct or non-compliances with provisions of any statute or rules, regulations, directions or determinations issued thereunder;
- e. that such person has not been convicted by any Court in Sri Lanka or abroad in respect of an offence under the Penal Code or any other law, Money Laundering/Terrorist Financing or criminal activity;
- f. that such person has not been declared insolvent or declared bankruptcy in Sri Lanka or abroad;
- g. that such person has not failed to satisfy any judgment or order of any Court whether in Sri Lanka or abroad, or to repay a debt;
- h. that such person has not been declared by a Court of competent jurisdiction in Sri Lanka or abroad, to be of unsound mind;
- i. that such person has not been removed or suspended by a regulatory or supervisory authority from serving as a director, chief executive officer or other officer or an employee in any licensed bank (licensed commercial bank and/or licensed specialized bank), finance company or a corporate body in Sri Lanka or abroad;
- j. that such person has not been a director, chief executive officer or held any other position of authority in any licensed bank (licensed commercial bank and/or licensed specialized bank), finance company or any other financial institution established by law;
 - i. whose license or business has been cancelled or suspended on grounds of regulatory concerns; or
 - ii. which has been wound up or is being wound up, or which is being compulsorily liquidated; whether in Sri Lanka or abroad.

Assessing Fitness and Propriety of directors, substantive shareholders, ultimate beneficial owners and management of the Money Changers

AFFIDAVIT

Information to be submitted in terms of the criteria approved by the Central Bank of Sri Lanka applicable for the Money Changers

Name of the Company :

Permit No (Applicable for existing companies):

I,.....(*full name*)

holder of National Identity Card No./ Passport No. of

..... (*address*) being a [Buddhist/ Hindu/ Muslim/ Christian/ Catholic/ other..... (*please specify*)] do hereby [solemnly, sincerely and truly declare and affirm /make oath and state (*please specify as appropriate*)] as follows:

1. I am the [affirmant/deponent] above named and I am(*designation*) of.....(*name of the company*).
2. I state that I possess the following academic and/or professional qualification/s:

Qualifications (Academic)	Relevant discipline	Country	Name of the institution	Year of Completion
(i)				
(ii)				
Qualifications (Professional)				
(i)				
(ii)				

3. I state that the effective experience that I possess in banking, finance, business or administration or of any other relevant discipline is as follows:

.....
.....

4. I state that I am not being subjected to an investigation or inquiry involving any offence/non-compliance under the Penal Code or any other law, conducted by the police, any regulatory or supervisory authority, professional association, Commission of Inquiry, tribunal or other body established by law, in Sri Lanka or abroad;

5. I state that there is no finding by any court of law, regulatory or supervisory authority, professional association, Commission of Inquiry, tribunal or other body established by law in Sri Lanka or abroad, to the effect that I have committed or have been connected with the commission of, any offence under the Penal Code or any other law, improper conduct or non-compliances with provisions of any statute or rules, regulations, directions or determinations issued thereunder;

6. I state that I have not been convicted by any Court in Sri Lanka or abroad in respect of an offence under the Penal Code or any other law, Money Laundering/Terrorist Financing or criminal activity;

7. I state that I have not been declared insolvent or declared bankruptcy in Sri Lanka or abroad;

8. I state that I have not failed to satisfy any judgment or order of any Court whether in Sri Lanka or abroad, or to repay a debt;

9. I state that I have not been declared by a Court of competent jurisdiction in Sri Lanka or abroad, to be of unsound mind;

10. I state that I have not been removed or suspended by a regulatory or supervisory authority from serving as a director, chief executive officer or other officer or an employee in any licensed bank (licensed commercial bank and/or licensed specialized bank), finance company or a corporate body in Sri Lanka or abroad;

11. I state that I have not been a director, chief executive officer or held any other position of authority in any licensed bank (licensed commercial bank and/or licensed specialized bank), finance company or any other financial institution established by law;

- i. whose license or business has been cancelled or suspended on grounds of regulatory concerns; or
- ii. which has been wound up or is being wound up, or which is being compulsorily liquidated; whether in Sri Lanka or abroad.

12. I state that I am aware of the criteria on assessment of fitness and propriety of my position and confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the Central Bank fully informed, as soon as possible, of all subsequent events, which are relevant to the information provided above.

13. I state that to the best of my knowledge I am a fit and proper person to be appointed as (*designation*) of
..... (*name of the company*), in terms of the criteria approved by the Central Bank of Sri Lanka, applicable for the Money Changers.

The averments contained herein were read over to the [affirmant / deponent] who having understood the contents hereof and having accepted same as true, affirmed / swore to and placed his / her signature at

..... on
this
.....day of
.....



*Affix Stamps as
applicable*

Before me

**JUSTICE OF THE PEACE/
COMMISSIONER FOR OATHS**

Specification to install Closed Circuit Television System (CCTV)

DVR Specification

- 8 channel DVR Standard H.264 video compression.
- Supports both TV and VGA output.
- Minimum 1 TB hard disk installed in DVR for data storage.
- Playback options such as normal/hi-speed/fast back/manual single-frame play.
- Remote view accessibility through a device (OS: iPhone, Blackberry, Symbian S60, Android, Windows).
- Operation Interface is similar to Windows OS.
- Zoom function for preview and playback.
- Security password protection.
- Watermark function ensures authentication of recorded images.
- Support TCP/IP, PPPoE, DHCP and DDNS network connection.
- Remote downloading facility.

Camera Specification

- 540/480 TVL high resolution color night vision camera.
- Surface mounted on ceilings or walls.
- Adjustable viewing positions of 360° pan and 65° tilt position.
- High picture quality through Digital signal processing and real color picture.
- Signal to noise ratio: More than 48 dB at AGC off.
- Connectors: Video Out: BNC. Power: DC Jack type.
- Horizontal Adjust Angle: 0°~360°; Vertical Adjust Angle: 0°~60°
- Weatherproof

Applicants are required to obtain ADSL internet service from any service provider in order to ensure the monitoring from remote locations. The internet service should be available continuously during 24 hours of the day with unlimited data transferring facility.

The paid up capital of Rs. 15 million of the company may be used to meet expenses of the installation of the aforesaid CCTV monitoring system.

Terms and Conditions Stipulated in the Permits to Engage in Money Changing Business

1. Permit to buy and exchange foreign currency

- i Foreign currency notes shall be purchased against Sri Lanka Rupees.
- ii Foreign currency notes shall also be exchanged for any other foreign currency notes.
- iii Under any circumstance RD should not sell foreign currency for Sri Lanka Rupees.
- iv The RD shall furnish to the Director/ Department of Foreign Exchange separate lists of the names of employees authorized by the company to buy and/or exchange foreign currency notes at each authorized place of business.
- v Foreign currency purchased or exchanged under this permit should be deposited with an Authorized Dealer (AD) within five (05) working days from such purchases.
- vi The authorized places of business of the RD shall only accept foreign currencies that could be sold to an AD on pre-agreements made with them.
- vii Foreign currency notes may be accepted in exchange for any foreign currency or for Sri Lanka rupees not exceeding the rate offered to the RD by an AD with whom the company maintains an account.
- viii Permit granted to RD is not transferable.
- ix The conditions of the permit may be amended from time to time by the Director/ Department of Foreign Exchange and will be notified to the RD accordingly.
- x An RD shall display daily rates of exchange at which foreign currency notes may be bought or exchanged at each place of business at a conspicuous place and money changing logo.
- xi The original and a copy of the permit should be kept and displayed conspicuously at the Head Office and branches respectively.
- xii Actions will be taken for any non-compliances in terms of the relevant provision of the Act.

2. Permit to sell foreign currency

- i Permission is granted to sell foreign currency to persons resident in Sri Lanka for the purpose of travel.
- ii The maximum amount of foreign currency to be sold should be US\$ 5,000 or equivalent in other convertible foreign currencies per transaction per each foreign travel on the production of documents that are necessary to determine the bona-fide of the request.
- iii The original and a copy of the permit should be kept and displayed conspicuously at the Head Office and branches respectively.
- iv The permit number and the exchange rates applicable in buying/selling foreign currency should be displayed at the each authorized place of business.

Documents to be Submitted Along with the Application

Se. No.	Name of the Document	Annex	Office Use
1.	A letter expressing the willingness of the company to abide by the criteria mentioned in Schedule I above if the application to engage in money changing business is successful.	A	
2.	A letter addressed to the Director/Department of Foreign Exchange obtained from the banker/s of the company of their opinion of the company's relationship with the bank and the status of maintaining accounts, together with details of all bank accounts held by the company and a confirmation of respective account balances as at the end of the preceding month. (If the company does not maintain accounts with Licensed Commercial Bank/s, the same should be submitted in respect of the directors of the company.)	B	
3.	A detailed description as to the location of the proposed place/s of money changing business.	C	
4.	A detailed account of educational, professional and business background of the directors, substantive shareholders, ultimate beneficial owners of the company and employees to be deployed in the money changing business.	D	
5.	Audited Accounts/Financial statements of the last three years of the company (Not applicable for newly incorporated companies).	E	
6.	A description of the assets (movable and immovable) and liabilities of the company giving the value of such assets and liabilities (Applicable only for newly incorporated companies).	F	
7.	Receipts in respect of latest Income Tax payments made by at least two directors of the company.	G	
8.	Certified copies of the documents related to the incorporation of the company (Certificate of Incorporation, Form 1, Form 6, Articles of Association, Form 20 (if applicable), and Form 13 (if applicable)).	H	
9.	Confirmation from the company's secretaries regarding the stated capital of the company along with the shareholding structure.	I	
10.	A certified copy of a Board Resolution confirming that one of the primary objectives of the company is engaging in money changing business and the certified copy of Form 39 to the same effect (if applicable).	J	
11.	A confirmation on the availability of the automated system for business operations and its capability of record keeping and periodic reporting as required by the Central Bank of Sri Lanka.	K	
12.	Business projections at least for the first three years of operations including the target turnover (amount of foreign currency deposits with banks) together with the basis of such projections.	L	

