

Monitoring Scheme on Foreign Exchange Drawing Against International Electronic Cards

Operating Instructions to Authorised Dealers issued by the Controller of Exchange of Central Bank of Sri Lanka

1. With the development of Electronic Fund Transfer Systems (EFTCs), the number of Credit Cards, Debit Cards and other Electronic Fund Transfer Cards (EFTCs) with global access, issued to residents of Sri Lanka by Authorised Dealers for making payments abroad in foreign exchange has increased substantially. Therefore, the introduction of a monitoring system has become necessary to ascertain the nature of payments made through EFTCs, as in the case of release of foreign exchange for travel abroad.
2. Authorised Dealers are permitted to release foreign exchange for payments in respect of expenditure incurred abroad using EFTCs, only for personal expenses such as travel expenses, hotel charges, incidental expenses, medical expenses and purchase of goods for personal use. EFTCs are not permitted to be utilised for payments in respect of capital transactions and purchase/import of goods in commercial quantities.
3. In order to facilitate monitoring of expenditure incurred by the use of EFTCs abroad, Authorised Dealers are required to follow the under mentioned procedure when issuing EFTCs, which could be used abroad.
 - 3.1 EFTCs should be issued only to residents of Sri Lanka.
 - 3.2 Authorised Dealers should obtain a written undertaking from the applicant for a EFTC to the effect that the foreign exchange drawings/payments on the card will be only for authorised purposes as set out in para 2 above before issuing the EFTCs,
 - 3.3 Authorised Dealers should forward the original of duly completed to the "Monitoring Unit" of the Exchange Control Department on a daily basis, retaining a copy with them.
 - 3.4 If the cardholder leaves the country either for good or for employment abroad, the card issued to him/her should be surrendered to the Authorised Dealer.
 - 3.5 Authorised Dealers should incorporate the conditions at para 3.2 and 3.4 above in the agreement that the card-holder enters into with the Authorised Dealer, or in the conditions for the use of the card at the time of issue.
 - 3.6 The above procedure should be effective for issue of new EFTCs as well as for renewal of EFTCs already issued.
4. Periodic Statements to Exchange Control Department
 - 4.1 Authorised Dealers should keep accounts for each cardholder in respect of expenditure incurred in foreign exchange abroad segregated from the expenditure incurred in Sri Lanka.
 - 4.2 A monthly report containing information on cardholders who have incurred expenditure in foreign exchange exceeding US \$ 5,000 or its equivalent in any other foreign currency, in any one month, should be forwarded to reach the undersigned marked.

'Attention Monitoring Unit' not later than the 15th day of the following month. This Report should be signed by a responsible officer of the bank■