



Press Release

Transition Period for the Implementation of Section 7 of the Foreign Exchange Act 2009

The introduction of the new foreign exchange regime requires that providers of goods and services who were previously advertising in a foreign currency, be given a transition period to make the necessary adjustments for the advertisement of all prices, featured in Seychelles, to be in rupees.

As such providers of goods and services are granted until 30th September 2009 to comply with section 7 of the Act, so that by 1st October, 2009 where appropriate, all prices featured in Seychelles are in rupees. Failure to make the necessary adjustments by 1st October will amount to a breach of the Act.

It should be noted that in instances where providers of goods and services target a market outside Seychelles, the Act allows for the advertisement of prices in foreign currency in the targeted market.

Other provisions of the Foreign Exchange Act 2009, which is accessible on the Central Bank of Seychelles website at www.cbs.sc, are already in force notably section 8 which provides that all payments are to be made in Seychelles in rupees unless payment in foreign currency is stipulated in (a) a written law or (b) is agreed to by the parties either by contract or otherwise. As such all persons are reminded that it is their right to make payment in rupees except in cases as stipulated in (a) and (b). The exchange rates to be utilized by the persons other than banks and bureaux de change who are accepting payment in foreign currency shall be the average traded exchange rate¹ as published by the Central Bank in the Nation on a daily basis² as well as on the Central Bank website.

¹ The average traded exchange rate is that which is consolidated from the rates received from the banks and the bureaux and is published as the 'Average buying rates of authorized dealers.'

² Except Sundays and public holidays.

We wish to reiterate that only banks and bureaux de change are empowered to set exchange rates and any other person who does so acts in contravention of the law and may be liable upon conviction to a fine not exceeding R400,000 or to imprisonment not exceeding one year.

CENTRAL BANK OF SEYCHELLES