



FOREIGN EXCHANGE ACT 2009

FREQUENTLY ASKED QUESTIONS

1. Who can set the exchange rate?

Only banks and bureaux de change (i.e. authorised dealers) may set rates.

2. If I cannot set a rate, which rate do I use for transactions?

For the three main currencies (€,£,\$) use the average traded exchange rate which is published by Central Bank of Seychelles (CBS). This appears as 'Average rates of authorised dealers.'

For other currencies, liaise with an authorised dealer for the rates.

3. Where do I obtain the rates?

The rates are published in the Seychelles Nation and on CBS website daily.

4. How does the CBS compute the average buying/selling rate?

This is based on the previous day's transactions of authorised dealers.

The average rate is a reflection of all transactions taken place and takes into account the volume of transaction and the corresponding exchange rates.

As such, it will not be equal to a simple average of the buying/selling rate for banks and bureaux de change.

5. All my prices are in foreign currency, but I do allow residents to pay in Rupees. Is this correct practice?

No. If your prices are in Seychelles they need to be in Rupees. If you are advertising your prices on a website or overseas it can be in Rupees or foreign currency. Both residents and non residents can pay in either Rupees or in foreign currency, but Rupees cannot be refused.

6. Can I advertise in another currency alongside the Seychelles Rupee (that is, Dual pricing)?

No, dual pricing is not legally permitted.

7. When advertising on a media, such as the internet, what currency should I use?

It depends on the circumstance. If;

a) the goods and services are intended for person in Seychelles, it shall be advertised in the Seychelles Rupee.

b) the goods and services are intended for person outside Seychelles, it may be advertised in a foreign currency.

c) the goods and services are intended for person both in and outside Seychelles, it shall be advertised in both the Seychelles Rupee and a foreign currency.

8. A client overseas has booked a room and paid half the deposit in a foreign currency. Upon arriving in Seychelles he requested to pay the remaining fee in Seychelles Rupee. Is this allowed?

Yes.

9. I am having trouble pricing my goods daily, can I use a monthly average traded exchange rate by CBS?

Yes you may reprice your goods using the average traded exchange rate on a monthly basis as opposed to a daily one. If you choose the exchange rates at the month-end, then this method should be consistently applied. This practice is deemed not to be contrary to the Foreign Exchange Act 2009.

10. As a hotel my clients frequently ask me to exchange small amounts for their everyday use e.g. paying taxi, can I do this?

If frequently, no. The law considers that if such activity is being done on a sustained basis and for a profit then it is a business and will require to be licensed.

Please contact CBS for information on setting up a bureau de change within the premises to accommodate clients and the public at large.

11. As a hotel I have contracts with tour operators in foreign currency. Can I still accept the foreign currency arising from those contracts?

Yes you can, as long as both parties agree to pay and receive in a foreign currency.

12. I have a foreign currency Point of Sale. Can I continue to use it?

You may continue to use the foreign currency Point of Sale as long as this is not the only means of payment. The customer must at all times be able to make payment in Rupees.

- 13. I have two Rupee rates; one for residents and a rate for non- residents. Is this allowable?**

The Foreign Exchange Act does not address fair trading issues.

- 14. Can a provider of goods or services in Seychelles refuse Rupees?**

No.

- 15. I have been forced to pay for a service /goods in foreign currency. What actions can I take?**

In this event and wherever else you believe your rights have been violated under the Foreign Exchange Act, please contact the CBS within working hours (i.e. Monday to Friday 8am - 4 pm) on 525 630 or 525 710.

- 16. How will CBS enforce compliance to the Foreign Exchange Act?**

Through all means at its disposal as provided by the Foreign Exchange Act.

- 17. How will I be penalized if I breach the Foreign Exchange Act?**

Upon conviction you may be liable to a fine of up to R400,000 or to imprisonment of up to one year.

For any other enquiries please contact the CBS within working hours (i.e. Monday to Friday 8am - 4 pm) on 525 630 or 525 710.