

FOREIGN EXCHANGE (AMENDMENT) BILL, 2023

(Bill No. 1 of 2023)

OBJECTS AND REASONS

This Bill seeks to amend —

- (a) sections 2 and 15 of the Foreign Exchange Act (Cap 269) and to insert a Schedule to the Foreign Exchange Act; and consequentially amend;
- (b) section 5 of the Credit Union Act (Cap 259); and
- (c) section 3 and 5 of the National Payment System Act, 2014.

The amendments are intended to expand the definition of authorised dealer, to add a Schedule to the Act in order to list authorised dealers and to authorise the Minister to amend the Schedule.

Dated this 16th day of February, 2023.

**NAADIR HASSAN
MINISTER OF FINANCE,
NATIONAL PLANNING AND TRADE**

FOREIGN EXCHANGE (AMENDMENT) BILL, 2023

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ARRANGEMENT OF SECTIONS

Sections

1. Amendment to the Foreign Exchange Act (Cap 269)
2. Amendment to Credit Union Act (Cap 259)
3. Amendment to National Payment System Act, 2014

FOREIGN EXCHANGE (AMENDMENT) BILL, 2023

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A BILL

FOR

AN ACT TO AMEND THE FOREIGN EXCHANGE ACT (CAP 269), AND TO PROVIDE FOR CONSEQUENTIAL AMENDMENTS TO THE CREDIT UNION ACT (CAP 259) AND THE NATIONAL PAYMENT SYSTEM ACT, 2014.

ENACTED by the President and the National Assembly.

PART 1

Short title

1. This Act may be cited as the Foreign Exchange (Amendment) Act, 2023.

PART 2

Amendment to the Foreign Exchange Act (Cap 269)

2. The Foreign Exchange Act is amended —

(a) in section 2 by repealing the definition of “authorised dealer” and substituting it with the following definition —

““authorised dealer” means an entity listed in the Schedule;”;

(b) in section 15 —

(i) by renumbering section 15 as subsection (1) of that section;

(ii) by inserting after subsection (1) so renumbered, the following subsection —

“(2) The Minister may by regulation amend the Schedule”.

(c) by inserting after section 16 the following Schedule —

“SCHEDULE

Section 2

Authorised Dealers

1. A Bank licensed under the Financial Institutions Act (Cap 79).
2. A Bureau de Change licensed under the Financial Institutions Act (Cap 79).
3. A Credit Union established under the Credit Union Act (Cap 259).

4. A Payment Service Provider licensed under the National Payment System Act, 2014.”

PART 3

Amendment to the Credit Union Act (Cap 159)

5. The Credit Union Act is amended in section 5 by inserting after paragraph (d) the following paragraph —

“(e) conduct foreign exchange business with members and non-members.”

PART 4

Amendment to the National Payment System Act, 2014

6. The National Payment System Act, 2014 is amended as follows —
 - (a) in section 3 (2) by inserting after paragraph (b) the following paragraph —
 - (b1) permit a payment service provider to engage in foreign exchange business;
 - (b) by inserting after section 5 the following section —

“5A. Notwithstanding section 3(2) of the Financial Institutions Act, (Cap 79), the Central Bank may permit a payment service provider to conduct foreign exchange business, subject to such conditions as may be imposed by the Central Bank”.