

2.17 Currencies and Foreign Exchange Regulations

2.17.1 Regulations. Employees abroad must not get involved in black or parallel market operations or contravene the Foreign Exchange Regulations of the host countries. Without limiting the foregoing, this prohibition applies also to the following transactions or actions, and could include valuable articles which could be substituted for currencies:

- (a) speculation in currency exchange;
- (b) sales of surplus personal funds of local currency to unauthorized persons;
- (c) personal transactions, without official sanction, which make use of the diplomatic bag or which exploit the official position of a Canadian diplomatic mission to effect a transfer of funds through banking channels;
- (d) acting as a private intermediary in the transfer of private funds from persons in one country to persons in another country, including Canada;
- (e) carrying currencies across borders where local Foreign Exchange Regulations prohibit the export of national currency or the importation of foreign currencies.

At all times employees must convert their Canadian currency or other foreign currencies, for which a black or parallel market exists, at banks, other establishments licensed for the purpose by local governments or through missions' accounts where the facility has been authorized by the Department.

2.17.2 General. All currency transactions must be in conformity with Canadian laws and regulations, host country laws and regulations and the Vienna Conventions on Diplomatic and Consular Relations. All currency transactions must also be in conformity with the guidelines set out in this chapter.

The Head of Mission may issue additional Mission directives for the guidance of employees at missions, taking into account local circumstances in a manner consistent with the intent of the present directives, subject to the authorization of the Deputy Head.

The Head of Mission is responsible for ensuring that employees are, in particular, aware of the possible serious implications of any violation of host country laws and regulations relating to currency exchange. Such violations may adversely affect Canada's reputation in the host country as well as the security of the Mission and its personnel.

2.17.3 Reporting requirements

- (1) **Monthly Exchange Rate Reports.** Employees at Missions listed in Annex E are required to submit to the Head of Mission a monthly Currency Exchange Rate report (see the example in Annex F) certifying the exchange rates obtained by them on currency transactions during the previous month.

These reports form the basis for the *Monthly Exchange Rate Report* to be submitted by the Head of Mission (form TBC 330-35, see Annex G) to Statistics Canada for the purposes of calculating foreign service allowances of employees at mission. Any false statements could give rise to disciplinary measures or prosecution under the *Statistics Act* or the *Criminal Code*.

- (2) **Annual Currency Conversion Reports.** The Head of the missions listed in Annex H are required to submit to ABDE by November 15 each year an Annual Currency Conversion Report (see Annex I). Where the Head of Mission is unable to provide unequivocal assurance that the local currency in the host country is freely convertible at a uniform market or official rate, the Mission will be added to (or