

BOX 15

Major Economic Policy Changes and Measures: 2015¹Real Sector²

- 22 January 2015 - The retail prices of major petroleum products were reduced as follows:
- Petrol (92 Octane) by Rs. 33 to Rs. 117 per litre
 - Petrol (95 Octane) by Rs. 30 to Rs. 128 per litre
 - Auto Diesel by Rs. 16 to Rs. 95 per litre
 - Super Diesel by Rs. 23 to Rs. 110 per litre
 - Kerosene by Rs. 16 to Rs. 65 per litre
 - Industrial Kerosene by Rs. 16 to Rs. 94 per litre
- 30 January 2015 - The retail price of kerosene was reduced by Rs. 6 to Rs. 59 per litre.
- The price of a 12.5 kg cylinder of LP gas was reduced by Rs. 300 to Rs. 1,596.
- 01 February 2015 - Passenger bus fares were reduced by 8.2 per cent on average.
- 20 February 2015 - The maximum retail price of certain items was set as follows:
- Ordinary Portland, Portland Limestone and Masonry cement at Rs. 840 per 50 kg bag
 - White sugar (unpacketted) at Rs. 87 per kg
 - Full cream milk powder at Rs. 325 per 400 g pack and Rs. 810 per 1 kg pack
 - Sustagen at Rs. 1,500 per 400 g pack
 - Wheat flour (unpacketted) at Rs. 87 per kg
 - Green gram (Moong) at Rs. 265 per kg
 - Dried sprats (imported) at Rs. 385 per kg
 - Canned fish at Rs. 140 per net weight of 425 g or drained weight of 280 g and Rs. 70 per net weight of 155 g or drained weight of 105 g
 - Seeds of coriander, neither crushed nor ground, at Rs. 350 per kg
 - Black gram at Rs. 300 per kg
 - Maldives fish at Rs. 1,740 per kg
 - Turmeric crushed or ground at Rs. 800 per kg
 - Chillies crushed or ground at Rs. 400 per kg

¹ This includes major economic policy changes and measures implemented during 2015 as well as those that have been implemented during the first three months of 2016 and policy measures envisaged to be taken in the near future.

² Details of fiscal incentives granted for the development of the real sector are included in policy measures under the fiscal sector.

- 15 July 2015 - The price of a 12.5 kg cylinder of LP gas was reduced by Rs. 100 to Rs. 1,496.
- 15 September 2015 - A new electricity tariff, based on Time of Use (TOU) for domestic consumers connected with 3-phase 30A or above, was introduced as an optional tariff in which the new tariff structure is as follows:

Time of Use (TOU)	Energy Charge (Rs./kWh)	Fixed Charge (Rs./month)
Off Peak (22:30 – 05:30 hrs)	13.00	540.00
Day (05:30 – 18:30 hrs)	25.00	540.00
Peak (18:30 – 22:30 hrs)	54.00	540.00

- 21 November 2015 - The retail price of kerosene was reduced by Rs. 10 to Rs. 49 per litre.
- The price of a 12.5 kg cylinder of LP gas was reduced by Rs. 150 to Rs. 1,346.
- 01 February 2016 - The common floor rates for local voice calls and SMS/ MMS were determined as follows:

Item	Floor Rate per Minute (Rs.)
Local voice call (per minute basis billing)	1.50
Local voice call (per second basis billing)	1.80
SMS/ MMS	0.20 (per message)

External Sector

Trade and Tariff

- 01 January 2015 - Special Commodity Levy (SCL) on the importation of b'onions was decreased to Rs. 10 per kg from Rs. 50 per kg for a period of four months.
- 22 January 2015 - SCL on the importation of rice was increased to Rs. 20 per kg from Rs. 1 per kg for a period of four months.
- 30 January 2015 - Excise (Special Provisions) duty on motor vehicles with less than 1,000 cc was revised downwards and excise duty on hybrid motor vehicles was revised upwards.
- The importation of Portland cement and semi-finished products of iron or non alloy steel was exempted from Customs duty.
- Full Customs duty waiver of 15 per cent or Rs. 10 per kg was granted on the importation of wheat grains.
- SCL on the importation of the following food items was reduced for a period of six months:
- Maldives fish from Rs. 302 per kg to Rs. 102 per kg
 - Sprats from Rs. 26 per kg to Rs. 11 per kg

	<ul style="list-style-type: none"> - Green gram (Moong) from Rs. 40 per kg to Rs. 10 per kg - Black gram from Rs.110 per kg to Rs. 60 per kg - Chillies (crushed or ground) from Rs. 150 per kg to Rs. 125 per kg - Coriander (seed) from Rs. 46 per kg to Rs. 26 per kg - Coriander (crushed or ground) from Rs. 202 per kg to Rs. 52 per kg - Turmeric (neither crushed nor ground) from Rs. 202 per kg to Rs. 102 per kg - Turmeric (other) from Rs. 510 per kg to Rs. 360 per kg - Black gram flour from Rs. 300 per kg to Rs. 200 per kg - Canned fish from Rs. 102 per kg to Rs. 50 per kg - Sugar from Rs. 28 per kg to Rs. 18 per kg
09 February 2015	- Full Customs duty waiver of 15 per cent or Rs. 10 per kg, granted on the importation of wheat grains, was reduced to Rs. 4 per kg. Hence, the applicable rate is Rs. 6 per kg.
15 February 2015	<ul style="list-style-type: none"> - SCL on the importation of potatoes was increased to Rs. 40 per kg from Rs. 10 per kg for a period of four months. - SCL of Rs. 10 per kg on the importation of mackerel was extended for a period of four months.
25 February 2015	<ul style="list-style-type: none"> - SCL on the importation of peas, chickpeas, cowpeas, Masoor dhal, yellow lentils, kurakkan, millet and margarine was extended for a period of six months. - SCL on the importation of maize and grain sorghum was rescinded.
27 February 2015	- Age limit on the importation of motor cars and other motor vehicles principally designed for the transport of people was increased.
18 March 2015	- SCL on the importation of mackerel was reduced to Rs. 6 per kg from Rs. 10 per kg for a period of six months.
26 March 2015	- SCL on the importation of rice was increased to Rs. 40 per kg from Rs. 20 per kg for a period of four months.
02 April 2015	- SCL on the importation of fresh or chilled fish, dried fish, yoghurt, butter, dairy spreads, red onions, garlic, fresh oranges, grapes, apples, cumin seeds, fennel seeds, mathe seeds, kurakkan flour, ground nut, mustard seeds, vegetable oils and salt was extended for a period of six months.
24 April 2015	<ul style="list-style-type: none"> - SCL on the importation of potatoes was increased to Rs. 55 per kg from Rs. 40 per kg for a period of four months. - SCL on the importation of b'onions was increased to Rs. 30 per kg from Rs. 10 per kg for a period of four months.
06 May 2015	- Customs duty of Rs. 35 per kg, Value Added Tax (VAT) of 11 per cent, Ports and Airports Development Levy (PAL) of 5 per cent and Nation Building Tax (NBT) of 2 per cent were imposed on the importation of rice in place of SCL of Rs. 40 per kg.

06 June 2015	<ul style="list-style-type: none"> - SCL on the importation of potatoes was decreased to Rs. 30 per kg from Rs. 55 per kg for a period of three months. - SCL on the importation of b'onions was decreased to Rs. 10 per kg from Rs. 30 per kg for a period of three months.
17 June 2015	<ul style="list-style-type: none"> - SCL on the importation of Masoor dhal (red lentils-split and yellow lentils-split) was decreased to Rs. 0.25 per kg from Rs. 5 per kg for a period of six months. - SCL on the importation of crude oils of soya-bean, palm and sunflower was increased to Rs. 105 per kg from Rs. 90 per kg for a period of six months. - SCL on the importation of other vegetable oils was extended for a period of six months.
29 June 2015	<ul style="list-style-type: none"> - SCL at a rate of 10 per cent was introduced on the importation of maize and grain sorghum for a period of four months.
21 July 2015	<ul style="list-style-type: none"> - SCL on the importation of crude oils of soya-bean, palm and sunflower was decreased to Rs. 90 per kg from Rs. 105 per kg for a period of six months. - SCL on the importation of Maldives fish, dried sprats, green gram, black gram, chillies, seeds of coriander, turmeric, black gram flour, vegetable oils except crude oil, canned fish and sugar was extended for a period of six months.
23 July 2015	<ul style="list-style-type: none"> - Customs duty waiver granted on the importation of milk powder was reduced to Rs. 45 per kg from Rs. 90 per kg. Hence, the applicable duty rate was Rs. 180 per kg.
06 August 2015	<ul style="list-style-type: none"> - Customs duty on the importation of milk powder was reduced to 20 per cent or Rs. 225 per kg from 25 per cent or Rs. 225 per kg and Customs duty waiver granted on the importation of milk powder was withdrawn.
08 September 2015	<ul style="list-style-type: none"> - SCL on the importation of potatoes was increased to Rs. 40 per kg from Rs. 30 per kg for a period of six months. - SCL on the importation of sugar was increased to Rs. 30 per kg from Rs. 18 per kg for a period of six months. - SCL on the importation of b'onions, peas, chickpeas, cowpeas, Masoor dhal (red and yellow lentils-whole), millet, kurakkan, margarine and sugar was extended for a period of six months.
18 September 2015	<ul style="list-style-type: none"> - SCL of Rs. 6 per kg on the importation of mackerel was extended for a period of six months.
22 September 2015	<ul style="list-style-type: none"> - A surcharge of Rs. 20 per kg was introduced on the importation of b'onions until 08 October 2015.
23 September 2015	<ul style="list-style-type: none"> - SCL on the importation of the following items was increased for a period of six months: <ul style="list-style-type: none"> - Soya-bean oil, palm oil and sunflower oil and their fractions, whether or not refined, but not chemically modified - Coconut (copra), palm kernel or babassu oil and fractions whether or not refined, but not chemically modified

02 October 2015	- SCL on the importation of fresh or chilled fish, dried fish, yoghurt, butter, dairy spreads, red onions, garlic, fresh oranges, grapes, apples, seeds of cumin, seeds of fennel, mathe seeds, kurakkan flour, ground nut, mustard seeds and salt was extended for a period of six months.
09 October 2015	- SCL on the importation of b'onions was increased to Rs. 30 per kg from Rs. 10 per kg for a period of four months.
19 October 2015	- The method of computation of the Customs value of motor vehicles for the purpose of calculation of excise duty payable at the time of importation was revised.
29 October 2015	- SCL of 10 per cent on the importation of maize and grain sorghum was extended for a period of three months. - SCL of Rs. 175 per kg was imposed on the importation of vegetable fats and oils and their fractions for a period of three months.
21 November 2015	- SCL on the importation of fresh or chilled fish and frozen fish was increased to 10 per cent or Rs. 50 per kg whichever is higher from 10 per cent or Rs. 10 per kg whichever is higher for a period of six months - SCL on the importation of potatoes was decreased to Rs. 15 per kg from Rs. 40 per kg for a period of six months. - SCL on the importation of b'onions was decreased to Rs. 5 per kg from Rs. 30 per kg for a period of six months. - SCL on the importation of red and yellow lentils (whole) was decreased to Rs. 0.25 per kg from Rs. 2 per kg for a period of six months. - SCL of Rs. 0.25 per kg on the importation of red and yellow lentils (split) was extended for a period of six months. - SCL of Rs. 60 per kg was imposed on the importation of fresh and dried dates for a period of six months. - Instead of the four bands Customs duty tariff structure of zero, 7.5 per cent, 15 per cent and 25 per cent, a three bands tariff structure of zero, 15 per cent and 30 per cent was introduced. - Customs duty on the importation of alcoholic beverages, tyres of rim size above 20 inches and chocolate blocks was increased. - Customs duty on the importation of garments, footwear, tiles, steel, musical instruments and maize (corn) was reduced.
21 January 2016	- SCL on the importation of Maldives fish, dried sprats, green gram (Moong), black gram, chillies, seeds of coriander, turmeric, black gram flour and canned fish was extended for a period of six months.
29 January 2016	- SCL of 10 per cent on the importation of maize and grain sorghum was extended until 29 February 2016. - SCL of Rs. 175 per kg on the importation of vegetable fats and oils and their fractions was extended up to 28 April 2016.
01 February 2016	- Customs duty on importation of rice was increased to Rs. 50 per kg from Rs. 35 per kg.

- 01 March 2016
- SCL on the importation of potatoes was increased to Rs. 35 per kg from Rs. 15 per kg for a period of four months.
 - SCL on the importation of b'onions was increased to Rs. 25 per kg from Rs. 5 per kg for a period of four months.
- 08 March 2016
- SCL on the importation of mackerel, peas, chickpeas, cowpeas, kurakkan, margarine, sugar and vegetable oil was extended for a period of six months.

Foreign Exchange Management

- 01 November 2015
- A 20 per cent Migrating Tax was imposed on all foreign exchange released to be taken out of the country by migrants at the point of immigration.
- 29 December 2015
- Permission was granted to persons resident in Sri Lanka who hold Non Resident Foreign Currency Accounts (NRFC), Resident Foreign Currency Accounts (RFC), Resident Non Nationals' Foreign Currency Accounts (RNNFC) and Foreign Exchange Earners' Accounts (FEEA) to acquire, hold and transfer securities issued outside Sri Lanka, to acquire any other asset of capital nature and to make payments in respect of current account (non-capital) transactions by utilising funds of such accounts.
 - Exemption was granted for persons resident in Sri Lanka from the application of the requirements to inform the Central Bank of Sri Lanka (CBSL) of the securities acquired, held and transferred and any other asset of capital nature acquired as above.
- 20 January 2016
- Directions were issued to authorised dealers on NRFC, RFC, RNNFC and FEEA allowing account holders to freely remit the funds of such accounts outside Sri Lanka for any purpose in line with the above relaxations.

Forthcoming

- Implementing the new Foreign Exchange Management policy
- Introducing a new borrowing scheme allowing any company incorporated in Sri Lanka other than companies limited by guarantee and overseas companies to borrow from overseas sources
- Revisiting inward investment procedures in line with the government policy through broadening the limits and areas for investments in Sri Lanka by residents outside Sri Lanka
- Granting general permission for outward remittance of current income and superannuation benefits of the emigrants

Fiscal Sector

Government Revenue

- 01 January 2015
- VAT rate was reduced to 11 per cent from 12 per cent.
 - The importation of machinery, equipment and spare parts by Sri Lanka Ports Authority (SLPA) to be used exclusively within specified ports was exempted from VAT and NBT.
 - The limit of the value of imported samples for the exemption from the VAT and NBT of Rs. 25,000 was increased to Rs. 50,000.
 - The quarterly turnover of Rs. 250 million applicable for the imposition of VAT on wholesale or retail trade was reduced to Rs. 100 million.

01 April 2015

- The threshold of liable supplies for the registration for VAT purposes was increased to Rs. 15 million per annum, from Rs. 12 million per annum.
- The threshold of liable turnover of NBT was increased to Rs. 3.75 million per quarter from Rs. 3 million per quarter.
- Betting and Gaming levy, applicable on gross collection of total amount recovered from the business of bookmaker or business of gaming was increased to 10 per cent from 5 per cent.
- Casino entrance levy of US dollars 100 was imposed on every person who entered a casino entertainment place.
- Profits and income of the following persons/institutions were exempted from income tax:
 - Unit Trust from investments made on or after 01 January 2015, in US dollar deposits or US dollar denominated securities listed in any foreign stock exchange.
 - Company, partnership or body of persons outside Sri Lanka from any payment made by way of royalty as a specific requirement of any IT/BPO company in Sri Lanka for a period of 2 years from the commencement of such IT/BPO company.
 - Investment made on or after 01 January 2015 in any Corporate Debt Security, issued by the Urban Development Authority (UDA).
- Concessionary income tax rates were introduced as follows:
 - A deduction of 10 per cent of income tax payable by any local manufacturer who has commenced the business of manufacturing during 1970s.
 - 12 per cent on the local sugar industry.
 - The annual turnover limit of small and medium undertakings qualifying for the concessionary rate of 12 per cent was increased from Rs. 500 million to Rs. 750 million.
 - One half of the profits and income from the production of films or dramas of any individual who produces an award winning cinema or a drama at an international film/drama festival was exempted for a period of 5 years from the year in which such award is received.
 - 16 per cent tax rate applicable for certain categories of employment income was extended to cover other employment categories.
 - New undertakings, with an investment not less than US dollars 2 million and engaged in manufacture of products for export market, were granted a frontloaded depreciation allowance and the dividend distributed out of such profits will be exempted for a period of five years.
 - The applicable tax rate on the profits and income of an existing enterprise outside the Western province and carrying on a business of manufacture of products other than liquor or tobacco was reduced by 50 per cent not exceeding Rs. 500 million for a period of 5 years subject to certain conditions.
 - Any company, which registers with the Inland Revenue Department (IRD) for tax purposes on or before 31 December 2015 with a committed investment in excess of Rs. 500 million, to be made in any manufacturing business, was entitled for a reduction of 50 per cent of the applicable tax rate for a period of 7 years.

	<ul style="list-style-type: none"> - A single withholding tax rate of 2.5 per cent was introduced irrespective of the amount of interest. - Interest income of senior citizens was exempted from withholding tax. - A triple deduction was granted to any person registered with the Tertiary and Vocational Education Commission (TVEC) on expenditure incurred on standard skill development training provided to trainees. - The exempted amount from the employment income (annual) on Pay-As-You-Earn (PAYE) tax was increased to Rs. 750,000 from Rs. 600,000 and the maximum rate of PAYE was reduced to 16 per cent from 24 per cent. - The annual liquor license fees on wholesale and retail outlets, hotels, hotel bars, rest houses etc. were increased.
03 October 2015	<ul style="list-style-type: none"> - Excise (Special Provisions) duty rates on the importation of cigarettes were increased. - Excise duty on any liquor made from any cereal molasses, palmyrah, coconut and processed arrack, country made foreign sprits and malt liquor manufactured in Sri Lanka was increased.
30 October 2015	<ul style="list-style-type: none"> - A Bars and Taverns Levy of Rs. 250,000 was imposed as per tavern or liquor sales outlet as a one off levy. - A Casino Industry Levy of Rs. 1,000 million was imposed on all casino operators as a one off levy. - A Mobile Telephone Operator Levy of Rs. 250 million was imposed on all licensed mobile telephone operators in Sri Lanka as a one off levy. - A Satellite Location Levy of Rs. 1,000 million was imposed on satellite owners who utilise the Sri Lankan satellite locations as a one off levy. - A Dedicated Sports Channel Levy of Rs. 1,000 million was imposed on dedicated sports channels operating islandwide using more than 5 transmitting locations as a one off levy. - A Mansion Tax of Rs. 1 million was imposed on owners of all houses valued not less than Rs. 150 million or on houses above 10,000 square feet and constructed on or after 01 April 2000 on an annual basis. - A Super Gain Tax at a rate of 25 per cent of the profit earned by any individual, company or group of companies whose profits over Rs. 2,000 million for the year of assessment 2013/2014 was implemented.
21 November 2015	<ul style="list-style-type: none"> - Excise duty on any liquor made from molasses, palmyrah, coconut and processed arrack, country made foreign sprits and malt liquor of 5 per centum and above of absolute strength manufactured in Sri Lanka was revised upwards. - Excise duty rate on malt liquor of less than 5 per centum of absolute strength was decreased to Rs. 160 per litre from Rs. 190 per litre. - Excise duty on cigarettes exceeding 72 mm but not exceeding 84 mm in length and cigarettes exceeding 84 mm in length was increased. - Excise duty (Special Provisions) on motor vehicles was revised and a simple unit rate of excise duty for the vehicles on the basis of cubic centimeters was introduced.
25 November 2015	<ul style="list-style-type: none"> - Cess of 10 per cent was imposed on imported jewellery.

05 December 2015	- Excise duty on malt liquor of less than 5 per centum of absolute strength was increased to Rs. 190 per litre from Rs. 160 per litre.
10 December 2015	- Cess on exportation of spices was removed.
13 December 2015	- Cess applicable on the importation of Beedi leaves, refractory cements, prepared binders for foundry moulds or cores, water based homopolymers and copolymers, particle boards, oriented strand boards (OSB) and similar boards, tulles and other net fabrics and cabinets for refrigerators was decreased. - Cess applicable on the importation of lubricants, polymers of vinyl acetate, acrylic polymers in primary forms, water proof footwear and other footwear was increased.
15 December 2015	- Annual licensing fee on liquor manufacturers and distilleries was increased.
31 December 2015	- The triennial authorisation fee on star class hotels, boutique hotels, boutique villas and heritage hotels was increased.
01 January 2016	- An import license fee of Rs. 1.5 million per annum was imposed on all importers engaged in the business of importing and selling motor vehicles. - The duty on bottled toddy was increased to Rs. 30 per litre from Rs. 10 per litre. - Stamp duty of 1.5 per cent levied on credit card usage was removed with regard to local usage of credit cards. - Stamp duty on usage of credit cards for foreign purchases was increased to 2.5 per cent. - Stamp duty on any share certificate issued consequent to the issue, transfer or assignment of any number of shares of any company was removed. - Embarkation Levy was increased as follows: - To a person leaving Sri Lanka by aircraft from US dollars 25 to US dollars 30 - To a person leaving Sri Lanka by ship from US dollars 5 to US dollars 30 - Fees for passport and dual citizenship were increased. - The rate of PAL was increased to 7.5 per cent from 5 per cent. - Vehicle Entitlement Levy was introduced. - Tax imposed on the leasing of land to foreigners was removed. - Construction Industry Guarantee Fund Levy was removed. - The rates on International Telecommunication Operator's Levy (ITOL) were increased from US dollars 9 cents to US dollars 12 cents. - Concessionary PAL rate of 2.5 per cent was imposed on electronic and electric items. - Machinery used for construction industry was exempted from PAL.

Government Expenditure

01 January 2015	- The maximum amount of Samurdhi allowance was increased to Rs. 3,000 per month from Rs. 1,500 per month by Circular No. 2014/14 of the Department of Divineguma Development, dated 29 December 2014.
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- 01 February 2015 - Salaries of government employees were increased by Rs. 7,000 per month of which Rs. 5,000 was given in February and the balance was given in June 2015.
- 01 April 2015 - The monthly interim allowance paid to pensioners was increased by Rs. 1,000 per month to Rs. 3,500 per month.
- 30 April 2015 - The maximum amount of Samurdhi allowance to Rs. 3,500 per month from Rs. 3,000 per month was increased.
- 01 July 2015 - Pension of public servants who have retired before the implementation of Public Administration Circular No. 06/2006 dated 25 April 2006, and 06/2006 (IV), dated 24 August 2007, which were issued revising the salaries of public service was revised again based on the salary revisions by above Circulars.
- A special allowance was granted for the officers in Executive Service Category in the public sector as follows :

Category	Monthly Allowance (Rs.)
Active service period of less than 6 years	3,000
Active service period of 6 or more years, but less than 11 years	5,000
Active service period of 11 or more years, but less than 19 years	10,000
Officers of Grade I or above having an active service period of 19 or more years	15,000

- 25 February 2016 - Public Administration Circular No. 03/2016 was issued to implement salary scales for public service in five phases with effect from 01 January 2016 instead of the salary scales implemented for the posts in public service under the provisions of Public Administration Circular No. 06/2006, dated 25 April 2006, and the provisions of the circular issued as the revisions to the said circular.

- Forthcoming** - Granting a cash grant of Rs. 25,000 per hectare per year as the fertiliser subsidy for paddy farmers

Debt Management

- 19 January 2015 - Issuance of Sri Lanka Development Bonds (SLDBs) up to a limit of US dollars 1,500 million for 2015 was authorised.
- 09 February 2015 - In addition to the issuance of SLDBs at floating rate, issuance of SLDBs at fixed rates in different maturities was approved.
- 10 June 2015 - The authorised limit on the issuance of SLDBs was increased to US dollars 2,500 million for the year 2015.
- 05 October 2015 - Multi-currency functionality in LankaSettle system was enabled in order to facilitate the scripless trading and recording of legal ownership of SLDBs denominated in US dollars to promote the secondary market for SLDBs.
- 20 October 2015 - The authorised limit on the issuance of Treasury bills was increased to Rs. 1,250 billion from Rs. 850 billion.

- 28 October 2015 - The direction on minimum core capital requirement for Primary Dealers was revised, increasing the minimum unimpaired core capital to be maintained by the Primary Dealer companies from Rs. 300 million to Rs. 1,000 million.
- The direction on Capital Adequacy Ratio for Primary Dealers was revised, increasing the minimum Risk Weighted Capital Adequacy Ratio to be maintained by the Primary Dealer companies from 8 per cent to 10 per cent.
- 04 December 2015 - The threshold of investments in Treasury bills and Treasury bonds by foreigners was reduced from 12.5 per cent to 10 per cent of the total outstanding stock of Treasury bills and Treasury bonds.

Monetary Sector

- 02 March 2015 - The 5.00 per cent special Standing Deposit Facility (SDF) rate was withdrawn.
- 15 April 2015 - The Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were reduced by 50 basis points to 6.00 per cent and 7.50 per cent, respectively.
- 03 September 2015 - The exchange rate was allowed to be determined based on demand and supply conditions in the foreign exchange market.
- 30 December 2015 - The Statutory Reserve Ratio (SRR) applicable on all rupee deposit liabilities of Licensed Commercial Banks (LCBs) was increased by 1.50 percentage points to 7.50 per cent from 6.00 per cent to be effective from the reserve period commencing 16 January 2016.
- 19 February 2016 - The SDFR and SLFR were increased by 50 basis points to 6.50 per cent and 8.00 per cent, respectively.

Financial Sector

Licensed Banks

- 01 January 2015 - Deposit insurance coverage per depositor per institution under the Sri Lanka Deposit Insurance and Liquidity Support Scheme (SLDILSS) was increased to Rs. 300,000 from Rs. 200,000.
- 01 February 2015 - A 50 per cent waiver was granted on the capital of the cultivation loans up to a maximum amount of Rs. 100,000, granted by state banks to farmers and transferred to non performing category on or before 31 January 2015.
- 13 March 2015 - An interest rate of 15 per cent per annum was granted for the savings of senior citizens (above 60 years of age) who opened one year rupee fixed deposits up to Rs. 1.0 million with effect from 16 January 2015 and an interest rate of 12 per cent per annum for the savings of senior citizens (above 60 years of age) who opened rupee fixed deposits up to Rs. 2.5 million prior to 16 January 2015.
- 15 March 2015 - Interest payments in excess of 12 per cent on pawning advances were waived up to a maximum amount of Rs. 200,000, granted by state banks and transferred to non performing category on or before 31 January 2015, at the point of settlement of pawned advances on or before 30 June 2015.

31 March 2015	- Directions were issued to licensed banks to implement the Liquidity Coverage Ratio under Basel III Liquidity Standards from 01 April 2015.
15 April 2015	- A circular was issued to apprise licensed banks to expand access to banking as outlined in the Interim Budget for 2015.
01 June 2015	- The charge of enhanced interest on accommodation granted to exporters was re-imposed. The applicable enhanced interest rate was reduced from 1000 basis points to 500 basis points. This enhanced interest is charged when export credit is not settled out of export proceeds within 90 days or 120 days (whichever is applicable) from the date of shipment of exports. Further, LCBs were allowed to use their discretion, subject to conditions, to extend the period granted to settle export credit out of export proceeds up to 180 days from the date of shipment in respect of tea exports.
28 July 2015	- Payment and Settlement Systems Circular No. 01 of 2015 on Maximum Limits on Transaction Value and Fees of Common Electronic Fund Transfer Switch (CEFTS) was issued to impose maximum per transaction value limit and maximum fees chargeable on transactions effected through CEFTS.
06 August 2015	- Payment and Settlement Systems Circular No. 02 of 2015 on Maximum Limit on Transaction Fees of Sri Lanka Interbank Payment System (SLIPS) was issued to impose maximum transaction fee that can be charged from customers for fund transfers effected through SLIPS.
07 August 2015	- Payment and Settlement Systems Circular No. 03 of 2015 on Operator Charges and Maximum Limit on Transaction Fees of LankaSettle System was issued to impose maximum transaction fee for fund transfers effected through Real Time Gross Settlement (RTGS) System and to reduce transaction fee charged by CBSL as the operator of the RTGS System.
14 September 2015	- Directions were issued to licensed banks, Licensed Finance Companies (LFCs) and Specialised Leasing Companies (SLCs) to maintain a maximum loan to value (LTV) ratio of 70 per cent on loans and advances granted for the purpose of purchase or utilisation of motor vehicles with effect from 15 September 2015.
29 October 2015	- Directions were issued to licensed banks, LFCs and SLCs informing that the applicability of the maximum LTV ratio of 70 per cent shall come into force with effect from 01 December 2015.
30 October 2015	- A minimum cash margin requirement of 100 per cent on Letters of Credit (LCs) opened with LCBs for the importation of motor vehicles was imposed until 01 December 2015.
30 November 2015	- Payment and Settlement Systems Circular No. 07 of 2015 on Timelines for Joining Common Card and Payment Switch - LankaPay was issued to stipulate timelines for joining Common Card and Payment Switch.
02 December 2015	- Licensed banks were informed to consider officers performing executive functions as the key management personnel of licensed banks for the purpose of complying with requirements of the Banking Act Directions on Corporate Governance.
Forthcoming	- Implementation of minimum capital requirement and leverage ratio for licensed banks under Basel III - Informing licensed banks to submit information on the occurrence of cyber security events in banks - Developing a crisis preparedness plan for licensed banks

Other Financial Institutions

- 23 June 2015 - The annual licensing fee of LFCs was increased as follows:

Total assets as at end of the previous calendar year	Annual licence fee (Rs.)
Rs. 5 billion or below	1,000,000
Above Rs. 5 billion up to Rs. 10 billion	1,500,000
Above Rs. 10 billion up to Rs. 20 billion	2,000,000
Over Rs. 20 billion	3,000,000

- The license fee payable in the year of licensing was increased from Rs. 1 million to Rs. 2 million.

Other

- 26 March 2015 - The Insurance Board of Sri Lanka (IBSL) issued a direction for all insurance companies to settle their insurance claim amounts due within sixty days of the admission of liability and upon establishment of the identity of the claimant.
- 30 March 2015 - IBSL imposed a condition on all insurance brokering companies to maintain at least a minimum net capital of Rs. 1.125 million from 30 September 2015 and a minimum net capital of Rs. 2.5 million from 30 September 2016.
- 24 April 2015 - The Colombo Stock Exchange (CSE) listing rules were amended pursuant to the Securities Exchange Commission (SEC) Directive (SEC/LEG/14/12/41) on the mandatory disclosure in respect of the basis of an offer price at an Initial Public Offer (IPO) of shares.
- 27 May 2015 - IBSL issued Rule No. 1916/10 requiring every insurer and broker to maintain a register of all persons who are registered with them as insurance agents (other than individuals), in a form specified by IBSL.
- 29 May 2015 - The rate of interest applicable for loans granted to borrowers by Participating Financial Institutions (PFIs) under the Smallholder Plantation Entrepreneurship Development Programme (SPEnDP) was reduced to 7 per cent per annum from 9 per cent per annum and the rate of interest applicable for refinance facilities granted to PFIs by the CBSL was reduced to 3 per cent per annum from 4 per cent per annum.
- 10 June 2015 - The methodology of computing 'closing prices' of securities traded on the Automated Trading rules (ATS rules) (except debt securities) was amended by CSE with effect from 17 June 2015.
- 01 July 2015 - The period of operation of Credit Guarantee Scheme for Pawning Advances was extended for further period of six months, commencing from 01 July 2015 to 31 December 2015.
- 06 July 2015 - Operating Instructions of the New Comprehensive Rural Credit Scheme (NCRCS) were amended to incorporate the implementation of warehouse receipts financing system under the scheme to provide short term credit to small farmer producers.
- 10 July 2015 - The application fees for entities licensed/ registered by the SEC were revised pursuant to the Circular No. SEC/Stamp duty/2015/03 issued by the IRD.
- 07 August 2015 - Operating Instructions to implement the "Working Capital Loan Scheme for Tea Factories" (WCLSTF), introduced by the government were issued.

- 03 September 2015 - Operating Instructions of WCLSTF was amended to include that the rate of interest to be fixed at 6 per cent per annum and government interest subsidy of 2 per cent per annum, to be provided only for two years. The total interest will be recovered from borrowers thereafter.
- 09 October 2015 - The Circular No. 36 on Overseas Health Insurance was issued by IBSL that no person in Sri Lanka, shall without the prior written approval of the Board, directly or indirectly place any insurance business with an insurer not registered under the Regulation of Insurance Industry (RII) Act, except in relation to reinsurance business.
- 12 October 2015 - Operating Instructions of WCLSTF were amended permitting PFIs to determine the rate of interest based on customer PFI relationship.
- 21 October 2015 - IBSL granted permission for an insurance agent to procure insurance business for an insurance company carrying on long term insurance business and an insurance company carrying on general insurance business, subject to strict compliance.
- 02 November 2015 - PFIs were allowed to charge floating interest rate for loans granted under WCLSTF at a rate not exceeding the Weighted Average Prime Lending Rate plus 1.5 per cent margin, including the 2 per cent government interest subsidy. The interest subsidy provided to PFIs will be only for a period of 2 years and total interest will be recovered from borrowers thereafter.
- 09 November 2015 - The rate of interest for sub loans granted by PFIs under the Poverty Alleviation Microfinance Project II and Poverty Alleviation Microfinance Project II-RF was reduced from 12 per cent per annum to 10 per cent per annum.
- 15 December 2015 - Operating Instructions of the Saubhagya Loan Scheme were amended to include following:
- To increase the eligible limit of a sub loan for which a project appraisal is needed from Rs. 500,000 to Rs. 1 million
 - To expand the grace period for loans granted under the scheme for the cultivation of perennial crops up to a maximum of 12 months, depending on the nature of the project
 - To remove the requirement of the minimum number of 5 employees for a SME to be eligible under the scheme. Accordingly, an enterprise with total asset value of below Rs. 40 million, excluding land and buildings and those with employees less than 100 persons are eligible to obtain loans under Saubhagya Loan Scheme
- 31 December 2015 - The operation of Credit Guarantee Scheme for Pawning Advances was concluded.
- 01 January 2016 - Share Transaction Levy was removed.
- IBSL issued Solvency Margin (Risk Based Capital) Rules to all insurance companies to be compiled with effect from 01 January 2016.
 - Guidelines were issued to open child savings accounts for children attending school by depositing a minimum of Rs. 250 per child year.
- 04 January 2016 - IBSL issued a direction under section 96A of the RII Act to all insurers and brokers, to obtain approval from IBSL on changes in ownership and control over 50 per cent of shareholding.
- 27 January 2016 - Customer Due Diligence Rules No. 1 of 2016 were issued to financial institutions.