



**MONETARY BOARD
CENTRAL BANK OF SRI LANKA**

31 January 2023

BANKING ACT DETERMINATION

No. 01 of 2023

**DEFINITION OF LIQUID ASSETS UNDER SECTIONS 86 AND 76J (1) OF THE
BANKING ACT, NO. 30 OF 1988, AS AMENDED**

In terms of Sections 86 and 76J(1) of the Banking Act, No. 30 of 1988, the Monetary Board has determined below mentioned assets shall be treated as liquid assets in the computation of the Statutory Liquid Asset Ratio of the Licensed Commercial Banks and Licensed Specialised Banks, respectively:

- (i) Qualifying non-financial corporate debt securities; and
- (ii) Qualifying non-financial common equity shares.

(i) and (ii) are as defined in Banking Act Directions No 01 of 2015 on Liquidity Coverage Ratio under Basel III Liquidity Standards for Licensed Commercial Banks and Licensed Specialised Banks.

Dr. P Nandalal Weerasinghe

*Chairman of the Monetary Board and
Governor of the Central Bank of Sri Lanka*