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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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பொதுப்பிடுகடன் திணைக்களம்

Public Debt Department

Ref: 08/24/011/0021/001

February 09, 2012

To: Chief Executive Officers of Primary Dealer Institutions

**Adoption of LKAS 32, 39 and SLFRS 7 and Valuation of Trading Portfolios
by Primary Dealers**

1. Primary Dealers (PDs) are aware that adoption of the LKAS 32, 39 and SLFRS 7 which establishes principles for recognizing, measuring and disclosing information about financial assets and liabilities, is obligatory and as such the Central Bank expects that steps are being taken to ensure the aforesaid in consultation with and availing of the required guidance from their respective external auditors.
2. PDs are required to ensure compliance with the reporting requirements as laid down in the LKAS 32, 39 and SLFRS 7 effective from 01.01.2012.
3. With reference to the Direction dated 10.01.2002 on 'Segregation of Proprietary Government Securities Accounts' and the Directions dated 22.12.2005 and 03.01.2006 on 'Valuation of Trading Portfolio and Quotes for Index Linked Bonds', PDs are hereby required to value their Trading Portfolios using 'current market prices' as required under the LKAS 39. In the absence of current market prices, PDs are required to use the 'average quotes/prices' issued by the Central Bank for the valuation of such securities held in the trading portfolio.

N W G R D Nanayakkara
Superintendent/Registrar of Public Debt