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Press Release

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Discontinuation of Compilation and Publication of Sri Lanka Inter Bank Offered Rate (SLIBOR)

The Monetary Board of the Central Bank of Sri Lanka decided to discontinue the compilation and publication of SLIBOR with effect from 01 July 2020. This decision was taken in consideration of the lack of usage of SLIBOR in benchmarking loan products in the domestic financial market, the global trend of phasing out the compilation and publication of offered rates including the London Interbank Offered Rate (LIBOR), requests from several Licensed Commercial Banks (LCBs) to discontinue the reporting of offered rates in the context of thin interbank market volumes for longer tenures, and the availability of alternative benchmark interest rates in the domestic financial market.

The Central Bank will continue to publish SLIBOR based on offered rates submitted by LCBs until 30 June 2020, in order to prevent inconvenience to any participant in the domestic financial market whose outstanding loans or advances are linked to SLIBOR. Market participants are advised to switch to an alternative interest rate, such as the Central Bank's policy rates, Average Weighted Call Money Rate (AWCMR), Average Weighted Prime Lending Rate (AWPR), Treasury bill yields, etc., in consultation with their respective financial service provider, with an appropriate margin.

The market is also informed that the Central Bank is currently in the process of designing a cost reflective alternative benchmark interest rate to enhance the transmission efficiency of monetary policy and monetary conditions to the economy through market interest rates.