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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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# Press Release

Issued By Communications Department

Date 2017 - 03 - 02

## Clarification by the Central Bank of Sri Lanka on Gazette Notifications on Issuances of Treasury Bonds

The Central Bank of Sri Lanka wishes to make the following clarification on the process it has followed in relation to Section 4 of the Registered Stock and Securities Ordinance, No 07 of 1937 (RSSO) as amended with regard to the issuance of government securities.

1. The RSSO was enacted for the purpose of issuing registered stocks, Government promissory notes, Bearer bonds and Treasury bonds.
2. The auction based issuance of Treasury bonds on behalf of the Government of Sri Lanka commenced in 1997. With the commencement of the public auction through the primary dealers in Treasury bonds, the price and volume of Treasury bonds were determined through market forces. Therefore the related Gazette notifications were issued after the Treasury bond issuances, but on dates and Gazette numbers which were pre-reserved. The Central Bank of Sri Lanka has taken the following measures to comply with the intent of the law.
  - a) Total borrowing during a particular year is maintained within the limit approved by the Parliament of Sri Lanka under the Appropriation Act for each financial year.
  - b) Based on the information provided by the Ministry of Finance, the Central Bank of Sri Lanka publishes in national newspapers in all three languages and in its website, all information including the amount to be raised through issuance of Treasury bonds, coupon rate, the auction date, settlement date and the maturities.
  - c) The results of the auction are disseminated immediately after each auction, for the information of the general public through the website of the Central Bank of Sri Lanka.

3. In addition to the issuance of new series of Treasury bonds, the Central Bank of Sri Lanka also re-opens the existing series of Treasury bonds already issued in the past and issues them on the basis of remaining maturity in line with best international debt management practices. Therefore, the gazette notification in any given year includes references to T-bonds which are newly issued as well as re-opened during the financial year concerned.

Accordingly, the Central Bank of Sri Lanka reiterates the view that it has been in compliance with the intent of the said provisions of RSSO.

The Central Bank of Sri Lanka assures the general public that the Treasury bonds issued on behalf of the Government of Sri Lanka have full legal authority and effect.

In addition the Central Bank of Sri Lanka will be making recommendations to the Government on suitable amendments to the RSSO.