

Major Economic Policy Measures¹

(Published as a supplement to the Annual Economic Review of the Central Bank of Sri Lanka 2023)

Central Banking

- 15 September 2023 - Central Bank of Sri Lanka Act (CBA) No. 16 of 2023 was published as an Act to provide for the establishment of the Central Bank; for the repeal of the Monetary Law Act No. 58 of 1949 (Chapter 422); and to provide for matters connected therewith or incidental thereto.
- 03 October 2023 - As per CBA, the Minister of Finance and the Central Bank entered into a Monetary Policy Framework Agreement specifying the Central Bank's inflation target. Under this agreement, Central Bank is expected to maintain the Colombo Consumer Price Index (CCPI) based quarterly headline inflation rate at 5 per cent, within a margin of ± 2 percentage points.
(communicated to the public under the Extraordinary Gazette Notification No. 2352/20 dated 05 October 2023)

Monetary Policy

- 02 January 2023 - Effective from 16 January 2023, the availability of the Standing Deposit Facility (SDF) to a particular Licensed Commercial Bank (LCB) was limited to a maximum of five (05) times per calendar month. In addition, the availability of the Standing Lending Facility (SLF) to a particular LCB was limited to 90 per cent of the Statutory Reserve Ratio (SRR) of such LCB at any given day.
- 03 March 2023 - The Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) were increased by 100 basis points to 15.50 per cent and 16.50 per cent, respectively, effective from the close of business on 03 March 2023.

¹ Includes major economic policy measures implemented since 01 January 2023 until 28 March 2024 and policy measures that are to be implemented in the near future.

- The issuance of market guidance through the announcement of a middle rate of the USD/LKR exchange rate and the variation margin was discontinued with effect from 07 March 2023.
- 01 June 2023 - SDFR and SLFR were reduced by 250 basis points to 13.00 per cent and 14.00 per cent, respectively.
- 06 July 2023 - SDFR and SLFR were reduced by 200 basis points to 11.00 per cent and 12.00 per cent, respectively.
- 09 August 2023 - SRR was reduced by 2.00 percentage points to 2.00 per cent to be effective from the reserve maintenance period commencing 16 August 2023.
- 05 October 2023 - SDFR and SLFR were reduced by 100 basis points to 10.00 per cent and 11.00 per cent, respectively.
- 24 November 2023 - SDFR and SLFR were reduced by 100 basis points to 9.00 per cent and 10.00 per cent, respectively.
- 09 February 2024 - Effective from 16 February 2024, the restriction on SLF was removed and the restriction on SDF was relaxed from five times (05) to ten times (10) during a calendar month.
- 26 March 2024 - SDFR and SLFR were reduced by 50 basis points to 8.50 per cent and 9.50 per cent, respectively.
- Effective from 01 April 2024, the remaining restriction on the usage of SDF was removed.

Special Credit Schemes

- 01 January 2023 - The Administrative Agreement was signed with the Government to extend the operational period of the Self- Employment Promotion Initiative Loan Scheme- Phase II (SEPI Phase II) commencing from 01 January 2023 to 31 December 2027.

- 15 February 2023 - The Saubagya COVID-19 Renaissance Facility (SCRF) - Phase IV, the refinance scheme implemented to provide working capital loan for re-energising State-Owned Enterprises (SOEs) under concessionary terms, was concluded.
- 22 March 2023 - Operating Instructions of the 4P Loan Schemes under the Smallholder Agribusiness Partnerships Programme (SAPP) were amended to expand the scope of definition of the Community based Financial Intermediaries (FIs) endorsed by the National Steering Committee (NSC).
- Operating Instructions of the Revolving Fund (RF) Loan Schemes under SAPP were amended to expand the scope of definition of the Community based FIs endorsed by NSC and to increase the maximum loan limit of Income Generation Loans to Rs.500,000.
- 27 March 2023 - The Administrative Agreement was signed with the Ministry of Plantation Industries and Ministry of Finance Economic Stabilization and National Policies (MOF) to extend the operational period of the Smallholder Tea and Rubber Revitalization (STaRR) Project commencing from 01 January 2023 to 30 June 2023.
- 30 March 2023 - Operating Instructions of the STaRR Project were amended to increase the maximum loan limit to Rs.400,000 while preventing Participating Financial Institutions (PFIs) from granting sub-loans after 30 June 2023.
- 10 August 2023 - The Administrative Agreement was signed with MOF to extend the operational period of SAPP commencing from 01 July 2023 to 30 June 2025.
- 15 September 2023 - The Central Bank discontinued the operations of Saubagya Loan Scheme and Domestic Agriculture Development Loan Scheme, with the enactment of CBA.

- 30 November 2023 - Operating Instructions were issued to PFIs to introduce the “Manusavi” Loan Scheme for Sri Lankan Migrant Workers in collaboration with the Sri Lanka Bureau of Foreign Employment.
- 03 January 2024 - The Governing Board (GB) of the Central Bank took a policy decision not to implement new Government and Donor funded loan schemes in future. However, the Central Bank will continue to operate the existing loan schemes until the conclusion of such schemes.

Payments and Settlements

- 01 February 2023 - LankaPay (Pvt) Ltd (LPPL) was granted approval to join with regional and country payment networks authorised and regulated by the respective country/authority. Accordingly, LPPL connected with UnionPay International Co., Ltd (UPI), China and NPCI International Payments Ltd (NIPL), India to facilitate the acceptance of payments made by Chinese and Indian tourists from their payment wallets through LANKAQR when they are in Sri Lanka. Chinese tourists were able to conduct transactions since February 2023. Indian tourists visiting Sri Lanka are able to pay using LANKAQR, with effect from 12 February 2024.
- 08 May 2023 - A Merchant Discount Rate (MDR) of 1.8 per cent was approved for payments made through LANKAQR using foreign payment apps. MDR of 0.5 per cent remains for domestic LANKAQR transactions.
- 20 July 2023 - The multi-tiered Liability Manager Limit structure for Common ATM Switch (CAS) and Common Electronic Fund Transfer Switch (CEFTS) were revised to support the growth of volume and value of transactions conducted through CAS and CEFTS.
- 31 August 2023 - A trilingual web form to collect information from the public was developed on unsafe, unsound or unfair practices relating to payment practices or services.

- 29 December 2023 - To further improve the adoption of digital transaction channels, the Central Bank mandated LBs to join initiatives such as the LankaPay Online Payment Platform (LPOPP), the Direct Debit facility, the Shared Know-Your-Customer (KYC) facility, and the Government Digital Payment Platform (GDPP). Other priority areas identified by the Central Bank such as enabling real-time notifications for credit and debit transactions of a customer, promoting digital transactions in remote areas, immediately updating credit card settlements made through digital channels, and making the reference field mandatory for digital transactions were informed to LBs. Further, LBs that are functioning as Licensed Financial Acquirers were informed to instruct their merchants not to pass MDR to customers.
- 29 December 2023 - Promoting foreign remittances together with digital transactions via e-money wallets, the enhanced and basic e-money wallet limits were raised from Rs. 50,000.00 and Rs. 10,000.00 to Rs. 150,000.00 and Rs. 20,000.00, respectively, with effect from 01 January 2024.
- 17 January 2024 - In order to facilitate safer and more secure transactions via mobile payment applications, the Central Bank mandated mobile payment applications initiating JustPay transactions to request a One-Time-Password (OTP) from the Issuer of the account (Financial Institution) that has been linked to the mobile payment application, if the transaction amount equals or exceeds Rs. 10,000/- with effect from 01 April 2024. JustPay enables the user of a mobile application to link accounts of any Financial Institution of the user and make payments by pulling funds from such accounts that the customer has linked to the mobile application.
- 01 February 2024 - Approval was granted for LPPL to join with the Nepal Clearing House Ltd for the acceptance of LANKAQR transactions made by Nepali tourists through NEPALPAY QR mobile applications.

Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT)

- 03 March 2023 - Circular No. 01 of 2023 was issued on calling for due vigilance on compliance lapses to all LBs and LFCs.
- 07 June 2023 - Circular No. 02 of 2023 was issued on institutional compliance of the real estate sector under the Financial Transactions Reporting Act (FTRA), No. 06 of 2006 to Real Estate Institutions.
- 13 June 2023 - Guideline No. 01 of 2023 was issued on reporting domestic Electronic Fund Transfer (EFT) threshold transactions to the goAML System of the Financial Intelligence Unit.
- 07 August 2023 - Approval of the Cabinet of Ministers was received for adoption of the National Policy on AML/CFT of Sri Lanka for 2023-2028.
- 22 August 2023 - Circular No. 03 of 2023 was issued as a reminder on adherence to previously issued guidelines and reporting formats on mandatory reporting under FTRA, No. 06 of 2006 to all LBs, LFCs, Licensed Insurance Companies and Licensed Stockbrokers.
- 01 September 2023 - Guideline No. 02 of 2023 was issued on Anti-money Laundering and Countering the Financing of Terrorism (AML/CFT) compliance for the Attorneys-at- Law and Notaries.

Foreign Exchange Management and International Operations

- 26 January 2023 - Revocation of Operating Instructions issued on “Inward Investments Swaps - IIS Scheme”.
- Issuance of instructions to banks on participation at the USD/LKR buy-sell and sell-buy, foreign exchange swaps auctions of the Central Bank.
- 24 February 2023 - Reduction of weekly mandatory foreign exchange sales to the Central Bank by LBs on account of converted inward workers’ remittances, converted service sector related exports proceeds/receipts, and the residual value of mandatorily converted export proceeds of goods from 25 per cent to 15 per cent, effective from 27 February 2023, in order to encourage market driven foreign exchange activities in the domestic foreign exchange market.

- 27 February 2023 - Directions No. 01 of 2023 were issued permitting Authorised Dealers (ADs) to open and maintain Special Foreign Currency Account (SFCA) - Investee, out of proceeds received, being an investment into the share capital of the company from a non-resident investor, provided the investee has future requirements to meet payments for current transactions and repayments of foreign currency loan accommodations obtained under the provisions of the Foreign Exchange Act (FEA), No. 12 of 2017.
- 03 March 2023 - Revocation of the Operating Instructions issued by the Central Bank to LBs on “Managing Intraday Volatility of the Exchange Rate” on 12 May 2022, with effect from 07 March 2023.
Revocation of the Operating Instructions issued by the Central Bank to LBs on “Incentive Scheme on Inward Worker Remittances” and “Repatriation of Export Proceeds into Sri Lanka”, respectively, on 27 January 2021 and 18 February 2021, as amended subsequently, with effect from 07 March 2023.
- 28 June 2023 - Order under Section 22 of FEA, published in the Extraordinary Gazette Notifications No. 2338/40 dated 28 June 2023, was issued by rescinding the orders published in the Extraordinary Gazette Notification No. 2286/27 dated 30 June 2022 and 2311/38 dated 22 December 2022 to suspend/limit outward remittances with respect to selected capital transactions for six months commencing from the date of the Order.
- 04 December 2023 - Directions No. 02 of 2023 were issued on Business Foreign Currency Accounts (BFCAs), amending Annex I of the Directions No. 05 of 2021 dated 18 March 2021 including enterprises permitted to sell goods to domestic market in terms of the Finance Act - Commercial Hub Regulations No. 1 of 2019.

- Directions No. 03 of 2023 were issued on Accommodations to BFCA Holders amending the Directions No. 09 of 2021 dated 18 March 2021, permitting the payments to the enterprises engaged in business activities in Sri Lanka which are permitted to sell goods/products to the domestic market in terms of the Finance Act - Commercial Hub Regulations No.01 of 2019, as amended and transfers to the BFCAs or the accounts maintained in the Offshore Banking Units of freight forwarders, shipping/airline agents in respect of freight payments.
- 20 December 2023 - Order under Section 22 of the FEA, published in the Extraordinary Gazette Notifications No. 2363/26 dated 20 December 2023, was issued by rescinding the orders published in Extraordinary Gazette Notification No. 2338/40 dated 28 June 2023 progressively easing some of the suspensions/ limitations relating to outward capital and current transactions imposed by the Orders issued earlier for six months commencing from the date of the Order.
- 01 January 2024 - Directions No. 01 of 2024 were issued amending the Directions No. 01 of 2023 dated 27 February 2023 on Special Foreign Currency Accounts - Investee to facilitate current transactions, by extending the validity of the same until 30 June 2024.
- 15 February 2024 - Regulations No. 2 of 2021 published in the Gazette Extraordinary Notification No. 2213/35 dated 03 February 2021, as amended, were further amended by the Gazette Extraordinary Notifications No. 2371/33 dated 15 February 2024 to facilitate Regulated Short Selling (RSS) of any securities listed on the CSE through Securities Borrowing and Lending (SBL) on the systems operated and maintained by the Central Depository Systems (Pvt.) Ltd (CDS).
- 16 February 2024 - Regulations No. 2 of 2021 published in the Gazette Extraordinary Notification No. 2213/35 dated 03 February 2021, as amended, were further amended by the Gazette Extraordinary Notifications No. 2371/48 dated 16 February 2024 to discontinue the facility of granting loans to BFCA holders for working capital requirements with a tenure of less than 3 years and facilitate the repayments of such loans already

obtained by way of conversion of LKR, where the borrower has no sufficient foreign exchange balances/cash flows to repay the same.

- Regulations No. 2 of 2021 published in the Gazette Extraordinary Notification No. 2213/35 dated 03 February 2021, as amended, were further amended by the Gazette Extraordinary Notifications No. 2371/49 dated 16 February 2024 to allow conversion of LKR for the payment of income (dividends/interests) and maturity proceeds of the listed debt securities or listed shares, when the foreign exchange earnings of the investee are not sufficient.
- Regulations No. 6 of 2021 published in the Gazette Extraordinary Notification No. 2234/20 dated 30 June 2021 was repealed and replaced by the Gazette Extraordinary Notifications No. 2371/50 dated 16 February 2024, to facilitate the repayment of loans obtained from overseas for the purpose of investing in International Sovereign Bonds and Sri Lanka Development Bonds by way of conversion of LKR, where the borrower has no sufficient foreign exchange balances/cash flows to repay the same.
- Directions No. 15 of 2021 on Inward Investment Accounts (IIAs) dated 18 March 2021 were amended by the Directions No. 2 of 2024 dated 20 March 2024 by inserting relevant paragraphs to facilitate the transactions explained in the Gazette Extraordinary Notifications No. 2371/33 dated 15 February 2024. Further, a paragraph in the Directions No. 15 of 2021 was repealed by the Directions No. 2 of 2024 to allow investees or issuers [with regard to the investments which were made under permitted debit 5(d)(ii) of Directions on IIA (i.e. transfer of investment proceeds to FCY account of the investee) had to be received from the foreign currency accounts of such investee] to make payments of income or capital proceeds by converting LKR into foreign currency.
- Direction No. 3 of 2024 on Accommodations to BFCAs holders were issued, amending Directions No. 9 of 2021 to repeal the facilitation of short-term borrowings of BFCA holders from foreign lenders.
- Directions No. 4 of 2024 on Special Foreign Currency Accounts to

20 March 2024

facilitate Foreign Currency Denominated Investments on CSE were issued, amending the Directions No. 26 of 2021 dated 30 July 2021 in line with the Gazette Extraordinary Notifications No. 2371/49 dated 16 February 2024.

Debt Management

- 13 February 2023 - The offering of Sri Lanka Development Bonds (SLDBs) under the Direct Issuance Arrangement was suspended.
- 16 March 2023 - "Registered Stock and Securities (Disclosure of Information) Regulations, No.1 of 2023" was issued.
- 04 April 2023 - In instances where the Monetary Policy announcement of the Central Bank is due during the normal Phase II window, Phase II of the respective Treasury bill auction is executed for a period of one hour immediately post a Treasury bill auction or close of business of the auction day whichever falls later.
- 12 May 2023 - A resolution to increase the limit on issuance of Treasury bills from Rs. 5,000.0 billion to Rs. 6,000.0 billion in terms of the Local Treasury Bill Ordinance No. 8 of 1923 was approved by Parliament.
- 19 June 2023 - The new web-based Treasury bill issuance system was introduced with effect from 21 June 2023 with the publishing of the relevant Directions on 19 June 2023.
- 04 July 2023 - MOF announced a policy on Sri Lanka's Domestic Debt Optimisation (DDO), consistent with the Extended Fund Facility, to contribute to meeting the Debt Sustainability targets agreed upon with the International Monetary Fund. This DDO comprises,
- conversion/exchange of eligible Treasury bonds that had been issued under the Registered Stock and Securities Ordinance (RSSO), No. 7 of 1937 (as amended) into new Treasury bonds to be issued under the RSSO to certain eligible holders of Treasury bonds as announced under Invitation to Exchange Treasury bonds (Exchange Memorandum for Treasury bonds),

- conversion of Treasury bills that had been issued under the Local Treasury Bills Ordinance, No. 8 of 1923 (as amended) and held by the Central Bank into Treasury bonds issued under the RSSO,
- conversion of the provisional advances made by the Central Bank to the Government of Sri Lanka into Treasury bonds to be issued under the RSSO,
- exchange of outstanding SLDBs issued under the Foreign Loans Act, No. 29 of 1957 to Treasury bonds denominated in USD or LKR issued under the RSSO and restructuring of local law foreign currency denominated bank loans of the Government as announced under invitation to Exchange SLDBs (Exchange Memorandum for SLDBs).

19 July 2023

- The Expiration Date, Announcement Date and Settlement Date of the Invitation to Exchange Treasury bonds set out in the Treasury bond Exchange Memorandum were extended to 11 August 2023, on or about 16 August 2023 and 17 August 2023, respectively.
The Settlement Date of the Invitation to Exchange SLDBs set out in SLDB Exchange Memorandum was extended to 15 August 2023.

11 August 2023

- The Expiration Date, Announcement Date and Settlement Date of the Invitation to Exchange Treasury bonds set out in the Treasury bond Exchange Memorandum were further extended to 28 August 2023, on or about 29 August 2023 and 31 August 2023, respectively.

15 August 2023

- As per the Exchange Memorandum for SLDBs issued under the DDO programme, the settlement was carried out on 15 August 2023. Those eligible SLDB holders who opted for LKR-denominated bonds were allocated their respective LKR bonds amounting to Rs. 252.2 billion. Furthermore, the accrued and arrears interest was disbursed in LKR currency to the same investors.

- 21 August 2023 - The Appropriation (Amendment) Bill to amend the maximum borrowing limit of the Government from Rs. 4,979.0 billion as set out in Section 2(1)(b) of the Appropriation Act, No. 43 of 2022, to Rs. 13,979.0 billion, was approved by the Parliament.
- 25 August 2023 - The Expiration Date, Announcement Date and Settlement Date of the Invitation to Exchange Treasury bonds set out in the Treasury Bond Exchange Memorandum were further extended to 11 September 2023, on or about 12 September 2023 and 14 September 2023, respectively, and two Treasury bonds that matured on 01 September 2023 were excluded from the list of Eligible Bonds.
- 14 September 2023 - As per the Exchange Memorandum for Treasury bonds issued under the DDO programme, the settlement of the Treasury bonds exchange was carried out. Accepted offers were converted into new Treasury bonds amounting to Rs. 3,204.5 billion which had longer maturities. Furthermore, an accrued interest of Rs. 110.9 billion was paid to investors for their accepted Treasury bond amounts.
- 20 September 2023 - The new web-based system for Direct Issuance Window for Treasury bonds was introduced with effect from 25 September 2023 with the publishing of the relevant Directions on 20 September 2023.
- 21 September 2023 - Outstanding credits (the “provisional advances”) of Rs. 344.7 billion from the Central Bank to the Government and outstanding Treasury bills amounting to Rs. 2,368.4 billion of the Government purchased by the Central Bank in the primary market were converted into ten (10) step-down fixed coupon new Treasury bonds denominated in LKR amounts to Rs. 2,492.3 billion and twelve (12) existing Treasury bills amounts to Rs. 220.8 billion and settled on 21 September 2023 in terms of the section 129 (2) of CBA and the Appropriation (Amendment) Act, No. 12 of 2023.
- 03 November 2023 - The Foreign Currency Banking Unit (FCBU) Loan exchange under the DDO programme was executed for People’s Bank in terms of the Memorandum of Understanding (MOU) for restructuring of the FCBU loan balance of People’s Bank signed on 18 August 2023. The loan

amount of Rs.27.7 billion was allocated to five existing Treasury bonds that were issued under DDO.

- 11 March 2024
- The amount offered at Phase II of T-bill auctions has been reduced to the aggregate auction shortfall and 10 per cent of the aggregate amount offered or Rs. 5.0 bn whichever is higher in terms of the amended Directions issued on 07 March 2024 which was in force effective from 11 March 2024.
 - The amount offered at Direct Issuance Window (DIW) of T-bond auctions has been reduced to 10 per cent of the amount offered from ISINs which are fully accepted at Phase I in terms of the amended Directions issued on 07 March 2024 which was in force effective from 11 March 2024.

Financial Sector

Licensed Banks

- 02 January 2023
- A Circular was issued with effect from 03 January 2023 adjusting the Bank Rate in line with the latest available Average Weighted New Deposit Rate (AWNDR) published by the Central Bank with a margin of +300 basis points.
- 31 January 2023
- Banking Act Determination was issued determining qualifying non-financial corporate debt securities and qualifying non-financial common equity shares as liquid assets in the computation of the Statutory Liquid Asset Ratio of LCBs and LSBs, given that such instruments shall satisfy the conditions specified in the Banking Act Directions on the Liquidity Coverage Ratio under Basel III liquidity standards.
- 02 February 2023
- Banking Act Directions were issued restricting discretionary payments of Licensed Banks (LBs), considering the prevailing macroeconomic conditions and importance of maintaining appropriate level of liquidity and capital to ensure their sustainability
- 16 February 2023
- In addition to the existing list of HS Codes covered by the Order dated 19 May 2022, an Order was issued to all LCBs on the requirement of maintaining a 100 per cent Cash Margin Deposit Requirement against Letters of Credit for newly added 64 HS Codes.

- 17 February 2023 - An Amendment to the Banking Act Directions No. 03 of 2022 on Margin Requirements Against Imports was issued, extending the applicability of the cited Directions to 64 new HS codes.
- 07 March 2023 - LBs were requested to provide appropriate concessions to affected borrowers on a case-by-case basis with a view to encouraging Micro, Small and Medium Enterprises (MSMEs) and individuals with a potential to revive their businesses/income streams.
- 21 April 2023 - A Circular was issued to LBs informing to discontinue the recognition of ICRA Lanka Ltd as an eligible/acceptable credit rating agency for regulatory purposes pertaining to LBs, consequent to the cessation of business operations of ICRA Lanka Ltd in Sri Lanka with effect from 31 January 2023 as informed by the Securities and Exchange Commission of Sri Lanka.
- 25 April 2023 - Amendments to the Banking Act Directions No. 01 of 2023 on Restrictions on Discretionary Payments of LBs were issued. Accordingly, LBs were required to refrain from increasing management allowances of Chief Executive Officers (CEO), Key Management Personnel (KMP) and payments to the Board of Directors, without meeting the cited requirements.
- 17 May 2023 - A Circular was issued to withdraw the minimum cash margin deposit requirements against Letters of Credit, imposed on 19 May 2022 and 16 February 2023.
- 18 May 2023 - Banking Act Directions were issued, revoking the Banking Act Directions No. 03 of 2022 and the Banking Act Directions No. 02 of 2023 on Margin Requirements Against Imports.
- 25 August 2023 - A Monetary Law Act Order was issued on the interest rates applicable on Sri Lankan rupee (LKR) denominated lending products of LBs, imposing maximum interest rates on certain lending products and requiring LBs to reduce the interest rates of all other new and existing rupee denominated lending products by specific percentages on target dates. Further, LBs were required to reduce the penal interest rate to a level not exceeding 2 per cent per annum.

- 15 November 2023 - The Banking (Special Provisions) Act (BSPA) No. 17 of 2023 (BSPA) was certified by the Parliament on 14 September 2023 and by order published in the Gazette No. 2358/46, its provisions came into operation effective from 15 November 2023.
- The Banking Special Provisions Act Directions No. 01 of 2023 was issued to Member Institutions of the Sri Lanka Deposit Insurance Scheme.
- 23 November 2023 - A Banking Act Determination on annual license fee was issued to LBs informing the new license fee structure applicable for the years 2024 and 2025.
- 27 November 2023 - Determinations made under BSPA were issued to the general public under the Gazette Notification No. 2360/02.
- 08 December 2023 - Amendments to the Banking Act Directions No. 16 of 2021 on Regulatory Framework on Technology Risk Management and Resilience for LBs were issued amending certain requirements pertaining to recognition of third-party service providers, identification of critical information systems, frequency of user access privilege reviews, criteria to determine ownership and management of information system infrastructure, etc. Further, considering the extraordinary circumstances prevailed, the general deadline and certain specific timelines were extended.
- 29 February 2024 - Amendments to the Circular No.08 of 2019 on “List of Qualified Auditors to Audit the Accounts of Licensed Commercial Banks and Licensed Specialised Banks” were issued by replacing PricewaterhouseCoopers and SJMS Associates as Deloitte Partners and Deloitte Associates, respectively with the changes of names of aforesaid audit firms.
- 25 March 2024 - Banking Act Directions were issued on “Large Exposures of Licensed Banks”, to be implemented effective from 01 January 2026, with a view to mitigating the potential credit concentration risks, in order to ensure safety and soundness and to preserve public confidence in the banking sector.

- 28 March 2024 - A Circular was issued on “Guidelines for the Establishment of Business Revival Units in Licensed Banks”, with a view to facilitating the sustainable economic revival of businesses affected by the extraordinary macroeconomic circumstances, and to ensure the proper handling of the increased impaired assets of LBs, while strengthening and reformulating already established post COVID-19 Revival Units of LBs as business revival units.
- Forthcoming - Banking (Amendment) Act
Revised Directions on Corporate Governance

Licensed Finance Companies (LFCs), Specialised Leasing Company (SLC), Licensed Microfinance Companies (LMFCs), and Primary Dealer Companies (PDCs)

- 05 January 2023 - The Monetary Board of the Central Bank, in terms of Regulations made under the Registered Stock and Securities Ordinance and the Local Treasury Bills Ordinance, extended the suspension of Perpetual Treasuries Limited (PTL) from carrying on the business and activities of a Primary Dealer for a further period of six months with effect from 05 January 2023, in order to continue with the investigations being conducted by the Central Bank.
- 18 January 2023 - The registration of Swarnamahar Financial Services PLC as a registered finance leasing establishment was cancelled in terms of Section 9.1. (h) of the Finance Leasing Act (FLA), No.56 of 2000 (FLA).
- 31 January 2023 - Subsequent to the amalgamation of the LOLC Development Finance PLC (LDFP) with LOLC Finance PLC (LOFP) as a part of the Masterplan for Consolidation of Non-Bank Financial Institutions (the Masterplan), the Monetary Board of the Central Bank cancelled the licence issued to LDFP to carry on finance business under the Finance Business Act (FBA), No.42 of 2011. Further, the registration of LDFP issued under the FLA was cancelled by the Director, Department of Supervision of Non-Bank Financial Institutions (D/DSNBFI).

- A Guideline on declaration of dividends or repatriation of profits was issued to LFCs as a measure to strengthen resilience and capacity of LFCs to absorb economic shocks that could arise in the time of uncertainty and continue to support credit needs of customers, by maintaining sufficient capital.
- 02 February 2023 - LFCs were informed that ICRA Lanka Ltd. was removed as an acceptable credit rating agency for specified purposes.
- 08 February 2023 - The Commercial High Court of Colombo ordered to appoint a liquidator to The Standard Credit Finance Ltd of which licence was cancelled by the Monetary Board on 25 July 2018 under FBA subject to supervision of court.
- 03 March 2023 - LFCs and SLC were requested to provide appropriate concessions to micro, small and medium enterprises and individuals affected by the present macroeconomic conditions.
- 21 March 2023 - The Commercial High Court of Colombo ordered to appoint a liquidator to The Finance Company Ltd of which licence was cancelled by the Monetary Board on 22 May 2020 under FBA subject to supervision of court.
- 25 April 2023 - Notice of cancellation of the finance business licence of Bimputh Finance PLC (BFP) was issued with effect from 25 April 2023 as directed by the Monetary Board of the Central Bank under section 37 (1) of FBA.
- 09 June 2023 - The Commercial High Court of Colombo ordered to appoint a liquidator to Central Investments and Finance Ltd of which licence was cancelled by the Monetary Board on 05 March 2018 under FBA subject to supervision of court.
- 05 July 2023 - The Monetary Board of Central Bank, in terms of the Regulations made under the Registered Stock and Securities Ordinance and the Local Treasury Bills Ordinance, extended the suspension of PTL from carrying on the business and activities of a Primary Dealer for a further period of six months with effect from 05 July 2023, in order to continue with the investigations being conducted by the Central Bank.

- 31 July 2023 - As a part of the Masterplan, Kanrich Finance Ltd was merged with Nation Lanka Finance PLC (NLFP) with effect from 31 July 2023 and the remaining entity is NLFP.
- 01 September 2023 - Finance business licence issued to BFP was cancelled with effect from 01 September 2023 as directed by the Monetary Board of the Central Bank due to unsatisfactory progress made by BFP to improve its critical condition.
- 15 December 2023 - The Commercial High Court of Colombo ordered to appoint a liquidator to ETI Finance Ltd under FBA subject to supervision of court.
- 05 January 2024 - The Governing Board of the Central Bank, in terms of the Regulations made under the Registered Stock and Securities Ordinance and the Local Treasury Bills Ordinance, extended the suspension of PTL from carrying on the business and activities of a Primary Dealer for a further period of six months with effect from 05 January 2024, in order to continue with the investigations being conducted by the Central Bank.
- 13 February 2024 - A Direction was issued on periodic reporting requirements with the objective of obtaining timely, accurate, consistent and complete information of LFCs to ascertain the manner in which the business and corporate affairs of LFCs are being conducted or for any other specified purpose.
- Forthcoming - Implementing Phase II of the Masterplan ensuring long term sustainability of small to medium scale LFCs in the medium term.
- Amending the existing regulatory framework in line with the current market developments, including amendments to FBA and FLA.
- Introducing rules and regulations to improve stability of the non-banking sector while strengthening the supervisory review process.

Insurance ²

- 24 April 2023 - A Guideline was issued to set forth a framework for the essential components (elements) of the policy documents of General Insurance products offered in Sri Lanka to protect the policyholders' interests.
- 19 June 2023 - Direction 01 of 2023 was issued to all general insurance companies considering the current practices of general insurance companies in respect of Condition of Average of motor insurance policies in the event of claims.
- 25 July 2023 - Clarification to Direction 01 of 2023 was issued to replace the wordings of item number 1 of the Direction.
- 27 July 2023 - Direction 02 of 2023 on Principal Officers of Insurance Companies and Insurance Brokering Companies was issued replacing Direction 05 of 2021 dated 16 December 2021 and Direction 12 of 2017 dated 04 December 2017.
- 01 September 2023 - An Amendment to Determination 13 was issued to revise the form and affidavits to be submitted by the insurers in compliance with Section 33 B (1) of the Regulation of Insurance Industry Act (RII Act) No. 43 of 2000.
- 09 September 2023 - Circular 01 of 2023 was issued to amend the Circular 25, revising the same to exclude the applicability of premium payment warranty clause on travel insurance, marine insurance, title insurance and for bonds issued by insurance companies on the basis that credit will not be granted for premium payment of the short-term general insurance policies.
- 27 September 2023 - Determinations 07, 08 and 09 of 25 September 2023 were issued to replace the repealed Determinations 07 of 30 October 2002, 08 of 08 February 2008 and 09 of 13 August 2018.

² These are policy measures taken by the Insurance Regulatory Commission of Sri Lanka

- 08 January 2024 - Circular 01 of 2024 on “Eligibility Criteria for Valuers” was issued repealing Circulars 30 and 35 and combining the requirements of the same.
- 09 January 2024 - Circular 02 of 2024 was issued repealing Circular 41, in respect of non-compliance of reporting requirements and non-compliance of the provisions of RII Act.
- 01 February 2024 - Direction 01 of 2024 was issued to limit the minimum period of endowment policies.
- 08 February 2024 - Direction 02 of 2024 was issued to all insurers and brokers directing them to revoke the agency contracts of individuals whose results of the G.C.E. Ordinary Level examination are not verified and confirmed to Sri Lanka Insurance Institute (SLII) as per paragraph 4 of Insurance Regulatory Commission of Sri Lanka (IRC SL) letter dated 07 April 2016.

Capital Market³

- January 2023 - Regulations were issued by MOF on the revised transaction fees pertaining to Repurchase Agreement (REPO) transactions on Corporate Debt securities.
- April 2023 - Approval in principle was obtained to introduce infrastructure related new products to the market.

Rules to enable Green Bonds were finalised by the Colombo Stock Exchange (CSE) and Securities and Exchange Commission (SEC).
- May 2023 - Rules to enable Sukuk products were finalised by CSE and SEC and the same were conditionally approved.
- June 2023 - Approval in principle was obtained to introduce high yield corporate bonds.

³ These are policy measures implemented by the Securities and Exchange Commission

- Rules to enable regulated short selling and securities borrowing and lending were conditionally approved.
- August 2023 - Approval was obtained to introduce eXtensible Business Reporting Language (XBRL) reporting to the listed companies of CSE.
- September 2023 - Approval was obtained to reduce the transaction fees applicable for corporate debt transaction to 1 bps of the transaction value as proposed by CSE.
- October 2023 - Regulatory framework to enable Blue bonds was finalised by CSE and approval was obtained for the same.
- November 2023 - Terms of Reference to introduce Shariah Supervisory Committee has been finalised and will be submitted for the approval.
- Regulated Short Selling (RSS) through Securities Borrowing and Lending (SBL) was launched by CSE.
- December 2023 - Recognised Shariah Scholars who certify the Shariah compliance of Sukuk products as “Supplementary Service Providers” under the SEC Act No 19 of 2021.
- January 2024 - Rules relating to Shariah Compliant Debt Securities were finalised and guidelines for Shariah Scholars were published.
- Approval was obtained for the Regulatory Framework to facilitate the issuance and listing of Infrastructure Bonds on CSE.

Other Financial Sector Related Policy Measures

- 08 August 2023 - Regulations on Financial Consumer Protection were issued under Section 10 (c) of MLA, which are applicable to Financial Service Providers (FSPs) regulated by the Central Bank to promote fair, transparent and ethical business conduct of FSPs and provide the basis for the Central Bank to carry out market conduct supervision and enforcement.

- 2024
- Loan Agreements were signed between the International Development Association (IDA) which is a member of the World Bank Group, MOF and the CBSL under the Financial Sector Safety Net Strengthening Project of the World Bank.
 - 31 January 2024 - Financing Agreement was signed between IDA and MOF
 - 01 February 2024 - Project Agreement was signed between IDA and the Central Bank
 - 06 February 2024 - Subsidiary Agreement was signed between MOF and Central Bank

Import and Export Controls

- 01 January 2023
- Special Import License Regulations No. 01 of 2023 (published in the Gazette Extraordinary No. 2312/77) were issued with a consolidated list of goods, for which the importation requires an import control license, and selected items, for which the issuance of Import Control License was suspended until further notice.
 - Imports and Exports (Control) Regulations No. 02 of 2023 (published in the Gazette Extraordinary No. 2312/78) were issued a consolidated list of imports under temporary suspension and introduced terms for exemptions with the approval of relevant authorities.
- 19 January 2023
- Imports Control Regulations on Payment Terms No. 03 of 2023 (published in the Gazette Extraordinary No. 2315/46) were issued extending the date of arrival of import consignments of wheat flour at the port or airport in Sri Lanka under the Open Account and Consignment Account Payment Terms until 31 January 2023.

- 22 February 2023
- Imports Control Regulations on Payment Terms No. 04 of 2023 (published in the Gazette Extraordinary No. 2320/46) were issued,
 - Allowing Open Account and Consignment Account Payment Terms for those who are settling their payments for importation of goods, which are essentially required to provide specified terminal services, from the foreign exchange earned by such terminal operations,
 - Replacing the regulation 5(i) issued by the Imports and Exports (Control) Regulations No. 12 of 2022 (published in the Gazette Extraordinary No. 2294/29),
 - Imports and Exports (Control) Regulations No. 05 of 2023 (published in the Gazette Extraordinary No. 2320/47) were issued removing and substituting regulation 8(m) issued by Imports and Exports (Control) Regulations No. 02 of 2023 (published in the Gazette Extraordinary No. 2312/78).
- 24 March 2023
- Imports and Exports (Control) Regulations No. 06 of 2023 (published in the Gazette Extraordinary No. 2324/45) were issued deleting and substituting regulation 3(b) issued by Imports and Exports (Control) Regulations No.01 of 2019 (published in the Gazette Extraordinary No. 2107/45).
- 06 April 2023
- Imports Control Regulation on Payment Terms No. 07 of 2023 (published in the Gazette Extraordinary No. 2326/40) were issued relaxing the restrictions on importation of milk powder and red whole lentils under Document Against Acceptance (DA) terms and Documents Against Payment (DP) terms.
 - Imports and Exports (Control) Regulations No. 08 of 2023 (published in the Gazette Extraordinary No. 2326/41) were issued regulating the importation of single-use plastic items that arrived at any sea or airports on or after 01 June 2023, and are required to be re-exported to the exporting country within 30 days from the date of arrivals of such goods.

- 09 June 2023 - Imports and Exports (Control) Regulations No. 09 of 2023 (published in the Gazette Extraordinary No. 2335/26) were issued allowing the importation of the list of goods (286 HS Codes) which were temporarily suspended, including consumer and investment goods.
- 20 July 2023 - Imports and Exports (Control) Regulations No. 11 of 2023 (published in the Gazette Extraordinary No. 2341/38) were issued allowing the importation of the list of goods (327 HS Codes) which were temporarily suspended, including consumer and investment goods.
- 09 October 2023 - Imports and Exports (Control) Regulations No. 14 of 2023 (published in the Gazette Extraordinary No. 2353/16) were issued allowing the importation of the list of goods (299 HS Codes) which were temporarily suspended, including consumer and investment goods except vehicles.
- 11 January 2024 - Imports and Exports (Control) Regulations No. 01 of 2024 (published in the Gazette Extraordinary No. 2366/19) were issued allowing the importation of selected motor vehicles, which were temporarily suspended, to fulfil specific requirements of several Government institutions.
- 07 February 2024 - Imports and Exports (Control) Regulations No. 02 of 2024 (published in the Gazette Extraordinary No. 2370/15) were issued extending the period allowed to import fully electric vehicles for Sri Lankans working abroad by amending regulation No. 12(a) issued by Imports and Exports (Control) Regulations No. 02 of 2023 (published in the Gazette Extraordinary No. 2312/78).
- 19 February 2024 - Imports and Exports (Control) Regulations No. 03 of 2024 (published in the Gazette Extraordinary No. 2372/04) were issued allowing the importation of selected spices (e.g., pepper, nutmeg, and mace, etc.) for processing and re-exporting purposes by an approved enterprise (These Regulations were cancelled with effect from 19 March 2024).

- 28 February 2024 - Imports and Exports (Control) Regulations No. 04 of 2024 (published in the Gazette Extraordinary No. 2373/28) were issued removing regulation No. 6, which pertains to the prior endorsement requirement of the DP and DA payment terms for import issued by Imports Control Regulations on Payment Terms No. 07 of 2022 (published in the Gazette Extraordinary No. 2278/21).
- 19 March 2024 - Imports and Exports (Control) Regulations No. 05 of 2024 (published in the Gazette Extraordinary No. 2376/14) were issued allowing the importation of selected vehicles, which were temporarily suspended, to fulfil specific requirements of several Government institutions

Tax Revisions

Income Tax

- 08 May 2023 - Inland Revenue (Amendment) Act, No. 4 of 2023 was enacted by the Parliament.
- 31 May 2023 - Mandatory registration with the Inland Revenue Department (IRD) was introduced for professionals of 14 categories, except for those who have already been registered under the Inland Revenue Act, No. 24 of 2017, with effect from 01 June 2023. Any individual who does not belong to any of the aforementioned categories, but all those above 18 years or more as of 31 December 2023 are required to register with IRD with effect from 01 January 2024 (Extraordinary Gazette Notification No. 2334/21).

Value Added Tax

- 13 December 2023 - VAT exemption applicable on certain items including petrol, diesel and LP gas was removed with effect from 01 January 2024 (Value Added Tax (Amendment) Act, No. 32 of 2023).
- 19 December 2023 - VAT rate on the imports of goods as well as supply of goods and services was increased to 18 per cent from 15 per cent (Extraordinary Gazette Notification No. 2363/22).
- 20 March 2024 - VAT registration threshold was reduced to Rs. 60 million per annum from Rs. 80 million per annum with effect from 01 January 2024 (Value Added Tax (Amendment) Act, No. 16 of 2024).

Excise Duty

01 January 2023 - Excise duty on petrol and diesel was revised with effect from 03 January 2023 (Extraordinary Gazette Notification No. 2312/68).

Description	Tax Prior to the Revision (Rs. Per litre)	Revised Tax (Rs. Per litre)
Petrol (92 Octane)	27.00	52.00
Petrol (95 Octane)	27.00	52.00
Other	27.00	52.00
Super Diesel that contains Sulphur not exceeding 10 mg/kg (ppm)	13.00	38.00
Other Diesel that contains Sulphur exceeding 10 mg/kg (ppm) but not exceeding 500 mg/kg (ppm)	6.00	31.00
Other	13.00	38.00

01 January 2023 - Excise duty on cigarettes was revised with effect from 01 January 2023 (Extraordinary Gazette Notification No. 2312/68).

Description (length of a cigarette)	Tax Prior to the Revision (Rs. per 1,000 cigarettes)	Revised Tax (Rs. per 1,000 cigarettes)
< 60 mm	6,750	13,360
60 mm - 67 mm	28,850	34,620
67 mm - 72 mm	41,100	49,320
72 mm - 84 mm	46,600	55,920
> 84 mm	51,800	62,160

03 January 2023 - Excise duty on liquor was revised with effect from 03 January 2023. (Extraordinary Gazette Notification No. 2312/70).

Description	Tax Prior to the Revision (Rs. Per litre of alcohol)	Revised Tax (Rs. Per litre of alcohol)
Special Arrack	4,180	5,000
Molasses, palmyrah, coconut, and processed arrack	4,460	5,350
Country made "Foreign" spirits	4,570	5,500
Malt liquor of below 5 per cent absolute strength as indicated in the label	3,300	3,960
Malt liquor of 5 per cent or more of absolute strength as indicated in the label	3,450	4,150
Wine	3,300	3,960
Sake	900	1,080
Country made milk punch manufactured	-	2,750
Country made cider of not more than 4 per cent of absolute strength as indicated in the label	-	3,000

31 May 2023 - The Excise (Special Provision) duty rate applicable on fuel (Petrol and Diesel) was increased by Rs. 25 per litre each (Extraordinary Gazette Notification No. 2334/23).

Description	Tax Prior to the Revision (Rs. Per litre)	Revised Tax (Rs. Per litre)
Petrol (92 Octane)	52.00	77.00
Petrol (95 Octane)	52.00	77.00
Other	52.00	77.00
Super Diesel that contains Sulphur not exceeding 10 mg/kg (ppm)	38.00	63.00
Other Diesel that contains Sulphur exceeding 10 mg/kg (ppm) but not exceeding 500 mg/kg (ppm)	31.00	56.00
Other	38.00	63.00

16 June 2023 - Excise (Special Provision) duty on Palmitic Acid (HS Code 2915.70.10) and Lauric Acid (HS Code 2915.90.10) was imposed at 29 per cent of CIF value (Extraordinary Gazette Notification No. 2336/69).

30 June 2023 - Excise duty on liquor was revised with effect from 01 July 2023.
(Extraordinary Gazette Notification No. 2338/57).

Description	Tax Prior to the Revision (Rs. Per litre of alcohol)	Revised Tax (Rs. Per litre of alcohol)
Special Arrack	5,000	6,000
Molasses, palmyrah, coconut, and processed arrack	5,350	6,420
Country made "Foreign" spirits	5,500	6,600
Malt liquor of below 5 per cent absolute strength as indicated in the label	3,960	4,750
Malt liquor of 5 per cent or more of absolute strength as indicated in the label	4,150	4,980
Wine	3,960	4,750
Sake	1,080	1,300
Country made milk punch manufactured	2,750	3,300
Country made cider of not more than 4 per cent of absolute strength as indicated in the label	3,000	3,600

30 June 2023 - Excise duty on cigarettes was revised with effect from 01 July 2023
(Extraordinary Gazette Notification No. 2338/58).

Description (length of a cigarette)	Tax Prior to the Revision (Rs. per 1,000 cigarettes)	Revised Tax (Rs. per 1,000 cigarettes)
< 60 mm	13,360	16,030
60 mm - 67 mm	34,620	41,540
67 mm - 72 mm	49,320	59,180
72 mm - 84 mm	55,920	67,100
> 84 mm	62,160	74,590

31 December 2023 - Excise duty on liquor was revised with effect from 01 January 2024
(Extraordinary Gazette Notification No. 2364/35).

Description	Tax Prior to the Revision (Rs. per litre of alcohol)	Revised Tax (Rs. per litre of alcohol)
Special Arrack	6,000	6,840
Molasses, palmyrah, coconut, and processed arrack	6,420	7,320
Country made "Foreign" spirits	6,600	7,525
Malt liquor of below 5 per cent absolute strength as indicated in the label	4,750	5,415
Malt liquor of 5 per cent or more of absolute strength as indicated in the label	4,980	5,680
Wine	4,750	5,415
Sake	1,300	1,480
Country made milk punch manufactured	3,300	3,760
Country made cider of not more than 4 per cent of absolute strength as indicated in the label	3,600	4,105

31 December 2023 - Excise duty on cigarettes was revised with effect from 01 January 2024 (Extraordinary Gazette Notification No. 2364/36).

Description (length of a cigarette)	Tax Prior to the Revision (Rs. per 1,000 cigarettes)	Revised Tax (Rs. per 1,000 cigarettes)
< 60 mm	16,030	18,270
60 mm - 67 mm	41,540	47,360
67 mm - 72 mm	59,180	67,470
72 mm - 84 mm	67,100	76,490
> 84 mm	74,590	85,030

31 December 2023 - Excise duty on Petrol and Diesel was reduced with effect from 01 January 2024 (Extraordinary Gazette Notification No. 2364/36).

Description	Tax Prior to the Revision (Rs. Per litre)	Revised Tax (Rs. Per litre)
Petrol (92 Octane)	77.00	72.00
Petrol (95 Octane)	77.00	72.00
Other	77.00	72.00
Super Diesel that contains Sulphur not exceeding 10 mg/kg (ppm)	63.00	57.00
Other Diesel that contains Sulphur exceeding 10 mg/kg (ppm) but not exceeding 500 mg/kg (ppm)	56.00	50.00
Other	63.00	57.00

Customs Duty

- 28 March 2023 - The three-band tariff system of the Customs Import Duty (CID) was revised from 0 per cent, 10 per cent and 15 per cent to 0 per cent, 15 per cent and 20 per cent with effect from 29 March 2023 to support the removal of CESS levy in line with the Proposal No. 34.6 of the Budget 2023. (Extraordinary Gazette Notification No. 2325/07)
- 31 May 2023 - The surcharge as a percentage of the Customs Import Duty on selected goods was imposed with effect from 01 June 2023 (Extraordinary Gazette Notification No. 2334/28)
- 16 June 2023 - New HS Codes (National Subdivisions) for Palmitic acid and lauric acid were created while imposing a duty structure on the same as the duty structure of Palm oil Fatty acid to facilitate the local cosmetic industry. (Extraordinary Gazette Notification No. 2336/72).
- 30 June 2023 - The first instalment out of the six annual equal instalments under the Category “6” of the Tariff Liberalization Programme (TLP) of the CID was removed for 1,238 Tariff Lines under Sri Lanka Singapore Free Trade Agreement (SLSFTA) with effect from 01 July 2023 (Extraordinary Gazette Notification No. 2338/54).

- 21 July 2023 - 5 per cent concessionary rate of CID were introduced on HS 3903.90.10 and 3906.90.10 subject to recommendation of the Secretary, Ministry of Industries to eliminate tariff anomaly between the importation of raw materials for local printing ink manufacturing and finished goods with a view to boosting local manufacturing of ink together with employment generation, and development of innovative and sustainable products (Extraordinary Gazette Notification No. 2341/64).
- 29 August 2023 - Customs duty on the importation of wheat flour of 15 per cent or Rs. 16 per kg to 20 per cent or Rs. 27 per kg (Extraordinary Gazette Notification No. 2347/06).

CESS

- 28 March 2023 - According to the Proposal No. 34.6 of the Budget 2023, the removal of CESS Levy in three annual instalments is one of the prior programme conditions of the proposed Development Policy Loan Facility of the World Bank, where removal of the first instalment of CESS Levy was to be implemented prior to 31 March 2023. Accordingly, a Gazette Notification issued to removal of 1st Instalment of CESS Levy of 2,668 HS Codes out of 8,155 HS Codes (08 Digits basis) are subject to CESS Levy at varied rates. (Extraordinary Gazette Notification No. 2325/06).
- 16 June 2023 - CESS levy on the importation of cement was increased while CESS levy of Rs. 1 per kg was imposed on the importation of cement clinkers to adjust the retail price of cement in line with the global and domestic economic conditions. (Extra Gazette Notification No. 2336/71).
- 21 July 2023 - An exemption on CESS Levy was granted for the importation of Polymers of styrene in primary form and acrylic polymers in primary form by the registered local printing ink manufacturers on the recommendation of the Secretary, Ministry of Industries to address the tariff anomaly observed in printing ink imported as finished goods and polymers in primary forms imported as intermediate goods for local manufacture of printing ink. (Extra Gazette Notification No. 2341/63).

Ports and Airports Development Levy (PAL)

- 04 April 2023 - PAL applicable on 1,631 tariff lines was exempted as the first step of the five-year phasing out of PAL as per the proposal in Budget 2023. (Extraordinary Gazette Notification No. 2326/02).
- 21 September 2023 - Exemption applicable on milk and cream (concentrated or containing added sugar or other sweetening) was removed (Extraordinary Gazette Notification No. 2350/45).
- 31 December 2023 - PAL on certain items, including petrol, diesel and LP gas, was exempted with effect from 01 January 2024 (Extraordinary Gazette Notification No. 2364/37).

Other Taxes and Levies

- 07 February 2023 - Charges for the use of Aerodromes were imposed for every aircraft landing and parking at Batticaloa International Airport (BTIA) (Extraordinary Gazette Notification No. 2318/14).
- 31 May 2023 - The time periods in relation to the consideration of remittances, establishment of Letters of Credit (LCs) and registration of motor vehicles were published in the Extraordinary Gazette No. 2318/53 of 10 February 2023, through which (the tax-free threshold of fully electric motor vehicles was increased from Rs. 6 million to Rs.12 million for migrant workers, were extended (Extraordinary Gazette Notification No. 2334/24).
- 21 August 2023 - Betting and Gaming Levy (Amendment) Act, No. 11 of 2023 was enacted by the Parliament.
- 20 March 2024 - Registration threshold applicable for Social Security Contribution Levy (SSCL) was reduced to Rs. 60 million per annum from Rs. 120 million per annum with effect from 01 January 2024 (Social Security Contribution Levy (Amendment) Act, No. 15 of 2024).

Government Expenditure

- 12 January 2023 - Instructions were issued to income tax payable on employment income by the employees of SOEs with effect from 01 January 2023. It was informed that Advance Personal Income Tax (APIT) should be deducted from tax liable employees' earnings while tax should not be an expenditure to the entity (SOEs) although the personal emoluments are paid under the collective agreements (Public Enterprises Circular No. 01/2023).
- 27 January 2023 - A Circular was issued for the curtailment of recurrent provisions appropriated for 2023 by 6 per cent and public expenditure management (National Budget Circular No. 01/2023).
- 21 April 2023 - Aswesuma Welfare Benefit Payment Scheme schedules were introduced with effect from 01 July 2023. (Extraordinary Gazette Notification No. 2328/13).
- 16 June 2023 - Guideline of National Development Committee for Methodological Appraisal of New Development Projects/Programmes was issued to ensure achievement of expected outcomes of projects by prudent and productive streamlining of public expenditure (National Budget Circular No. 0132023).
- 13 December 2023 - The Appropriation Act, No. 34 of 2023 was approved by the Parliament and published on 13 December 2023.

Other

- 08 August 2023 - The Anti-Corruption Act, No. 9 of 2023 was approved by the Parliament.