

Featured Box Article

Major Economic Policy Measures Implemented by or Related to the Central Bank of Sri Lanka¹

Monetary Policy

22 May 2025 Overnight Policy Rate (OPR) was reduced by 25 basis points to 7.75% from 8.00%. With that Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were set at 7.25% and 8.25%, respectively, maintaining a ± 50 bps margin around the OPR.

Payments and Settlements

27 January 2025 In order to encourage the adoption of digital transactions, Central Bank of Sri Lanka (CBSL) mandated a maximum per transaction fee of Rs. 15/- for payments effected through GovPay, with effect from 01 February 2025. GovPay has enabled Government Institutions which do not have IT systems to accept instant digital payments.

07 February 2025 CBSL mandated a maximum per transaction fee of Rs. 25/- for real-time fund transfers effected through Internet Banking, Mobile Banking and ATMs of members of the Common Electronic Fund Transfer Switch (CEFTS), with effect from 15 February 2025. The maximum fee charged on a transaction effected through the LankaPay Online Payment Platform (LPOPP) to institutions such as Inland Revenue Department and Sri Lanka Customs, which have IT systems to enable real time payment processing and updating of customer accounts, was also mandated to not exceed Rs. 25/- per transaction with effect from 15 February 2025.

20 February 2025 Approval was granted for LankaPay (Pvt) Ltd (LPPL) to connect with AliPay Singapore E-Commerce Private Limited to facilitate the acceptance of LANKAQR transactions made by tourists through AliPay+ enabled mobile applications at LANKAQR merchants.

11 June 2025 With effect from 25 June 2025, the maximum value of fund transfers initiated by customers of Primary Participants in the Sri Lanka Interbank Payment System (SLIPS) was increased from Rs. 5 mn to Rs. 10 mn, per transaction. Further, approval was granted to government institutions which have accounts at CBSL to effect transactions using such accounts up to a maximum per transaction value of Rs. 50 mn through SLIPS.

23 December 2025 MVTS Regulations were amended as Money or Value Transfer Service (MVTS) Providers Regulations No. 01 of 2025 and issued with effect from 31 December 2025. MVTS Providers Regulations No. 01 of 2025 requires overseas money transfer service providers to register under the regulatory and supervisory framework of the MVTS Regulations.

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

27 February 2025 Guidelines No. 01 of 2025 were issued on requests made to obtain necessary information from the foreign financial intelligence units for further investigations.

¹ Includes major economic policy measures implemented since 01 January 2025 until 25 March 2026.

A detailed version of policy measures implemented by or related to the Central Bank of Sri Lanka and major fiscal policy measures implemented since 01 January 2025 until 27 March 2026 are available online

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Link - <https://www.cbsl.gov.lk/en/publications/economic-and-financial-reports/annual-economic-review/annual-economic-review-2025/major-economic-policy-measures>



20 March 2025	<p>Guidelines No. 02 of 2025 were issued on requesting information under Sections 15(1)(a) and 15(2) of the Financial Transactions Reporting Act No. 6 of 2006.</p> <p>Guidelines No. 03 of 2025 were issued on requesting necessary assistance for further investigations under the Financial Transactions Reporting Act No. 6 of 2006.</p>
04 April 2025	<p>Circular 01/2025 was issued on Conducting Enhanced Due Diligence with respect of the Non-Governmental Organizations, Not-for-Profit Organizations or Charities under Financial Institutions (Customer Due Diligence) Rules, No 1 of 2016.</p>
03 September 2025	<p>Enactment of the Gambling Regulatory Authority Act, No. 17 of 2025 (GRAA), repealing the Betting on Horse Racing Ordinance, Gaming Ordinance and the Casino Business (Regulation) Act, No. 17 of 2010.</p>
10 September 2025	<p>Guidelines No. 04 of 2025 were issued on reporting information under Section 15(1)(a) of the Financial Transactions Reporting Act No. 6 of 2006.</p>
11 September 2025	<p>Guidelines No. 05 of 2025 were issued on reporting information under Section 15(1)(a) of the Financial Transactions Reporting Act No. 6 of 2006.</p> <p>Guidelines No.06 of 2025 were issued regarding requests for Information under Section 15(1)(a) of the Financial Transactions Reporting Act No.6 of 2006.</p> <p>Guidelines No. 07 of 2025 were issued on reporting information under Section 15(1)(a) of the Financial Transactions Reporting Act No. 6 of 2006.</p>
01 December 2025	<p>With the enactment of the GRAA, a Gambling Regulatory Authority was established, with wide powers to license and supervise the gambling sector.</p>
20 January 2026	<p>Supporting the policy decision to regulate virtual assets, steps are currently underway to establish a prudential regulatory framework for Virtual Asset Service Providers (VASPs). To further strengthen this initiative, a subcommittee has been established under the policy guidance of the AML/CFT National Coordinating Committee (NCC). The inaugural meeting of this subcommittee was held in January 2026.</p>
19 February 2026	<p>Enactment of the Institute of Real Estate Professionals, Sri Lanka Act, No. 06 of 2026.</p>
11 March 2026	<p>The Convention on the Suppression of Terrorist Financing (Amendment) Bill (No. 18/2026) was published in the gazette dated 06.03.2026, issued on 11.03.2026.</p>
13 March 2026	<p>Circular No. 01/2026 was issued on review and update of institutional risk assessments in line with the National Money Laundering, Terrorist Financing and Proliferation Financing Risk Assessment for FIs and DNFBPs.</p>
17 March 2026	<p>The Prevention of Money Laundering (Amendment) Bill (No. 20/2026) was published in the gazette dated 13.03.2026, issued on 17.03.2026.</p> <p>The Financial Transactions Reporting (Amendment) Bill (No. 21/2026) was published in the gazette dated 13.03.2026, issued on 17.03.2026.</p>

Public Debt Management

31 December 2025	<p>Public debt management functions were transferred from CBSL to the Public Debt Management Office (PDMO) established under the Public Debt Management Act No. 33 of 2024 (PDM Act), PDMO became fully operational in December 2025 and assumed full responsibility for such functions previously carried out by the Public Debt Department of the CBSL. In terms of the relevant provisions of the PDM Act and the Central Bank of Sri Lanka Act, No. 16 of 2023, the CBSL will continue to operate the Scripless Securities Settlement System and the Central Depository System for government securities under the Payments and Settlements Department of the CBSL, with effect from 01 January 2026.</p>
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Financial Sector**Licensed Banks**

- 07 May 2025 A Circular on “Reporting Information Technology (IT) and Cybersecurity Incidents of Licensed banks” was issued further to the Banking Act Direction No. 16 of 2021 on “Regulatory Framework on Technology Risk Management and Resilience for Licensed Banks”, in order to enhance operational resilience of licensed banks given the increased reliance on digital infrastructure and the associated risks that require a need for prompt and transparent reporting of such incidents to CBSL.
- 17 September 2025 Directions were issued requiring licensed banks to prepare Recovery Plans (RCP) under the Banking (Special Provisions) Act No.17 of 2023, in order to ensure the resilience of licensed banks. Further, previous Banking Act Directions issued in this regard were revoked.
- 05 December 2025 A Circular on “Relief Measures to Assist Individuals and Business Affected by the Recent Cyclonic and Flood Disasters” was issued in view of the adverse effects of the recent cyclonic and flood disasters and the need to grant effective relief to those affected borrowers of licensed banks, requesting all licensed banks to provide relief measures to individuals and businesses whose income or business has been directly affected.
- 25 March 2026 Banking Act Directions on Outsourcing of Business Operations of Licensed Banks were issued considering the evolving trends in the banking sector driven by new business activities and advancements in digitalized processes and operations, in order to ensure that licensed banks adopt a sound and prudent framework for the outsourcing of business operations.

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

- 23 June 2025 A direction was issued on maximum interest rates on deposits and debt instruments to promote sustainable business practices in soliciting deposits and issuing debt instruments by providing a methodology for determining the maximum interest rates on deposit and debt instruments offered or paid by FCs.
- 20 August 2025 A direction was issued on credit risk management for LMFCs to establish a credit risk management framework to identify, measure, monitor and control credit risk aligning with the nature, volume and complexity of the activities of LMFCs.
- 16 September 2025 A direction was issued on minimum core capital requirement of PDCs to strengthen the resilience of the sector by providing a financial buffer to absorb potential risks and unexpected losses.
- 07 November 2025 A direction was issued on liquidity risk management to establish a robust liquidity risk management framework in FCs through formulation of a liquidity risk management strategy, policy and procedures, governance structure and effective liquidity risk management process to identify, measure, monitor and report, control and mitigate liquidity risk.
- The proposed amendments to Finance Business Act No.42 of 2011 was issued for public consultation, inviting the views, suggestions, and comments from the general public and stakeholders.
- 09 January 2026 A circular on “relief measures to assist individuals and business affected by the recent cyclonic and Flood Disasters” was issued in view of the adverse effects of the recent cyclonic and flood disasters and the need to grant effective relief to those affected borrowers of FCs, requesting all FCs to provide relief measures to individuals and businesses whose income or business has been directly affected.
- 12 January 2026 A direction was issued amending the maximum interest rates offered by FCs for deposits and debt instruments.