

BOX 13

Major Economic Policy Changes and Measures¹

Monetary Policy

- 04 April 2018 - The Standing Lending Facility Rate (SLFR) was reduced by 25 basis points to 8.50 per cent, while the Standing Deposit Facility Rate (SDFR) was kept unchanged at 7.25 per cent. This decision narrowed the width of the Standing Rate Corridor (SRC) to 125 basis points from 150 basis points.
- 14 November 2018 - The Statutory Reserve Ratio (SRR) applicable on all rupee deposit liabilities of licensed commercial banks (LCBs) was reduced by 1.50 percentage points to 6.00 per cent from 7.50 per cent with effect from the reserve maintenance period commencing 16 November 2018.
- The SLFR was increased by 50 basis points to 9.00 per cent, while the SDFR was increased by 75 basis points to 8.00 per cent. The SRC was narrowed to 100 basis points from 125 basis points.
- 22 February 2019 - The SRR applicable on all rupee deposit liabilities of LCBs was reduced by 1.00 percentage point to 5.00 per cent from 6.00 per cent with effect from the reserve maintenance period commencing 01 March 2019.

Financial Sector

Licensed Banks

- 08 January 2018 - Circular No. 01 of 2018 was issued to licensed banks informing banks to refrain from the issuance of usance letter of credit facility for the importation of motor vehicles commencing 01 January 2018, as approved under the Budget 2018.
- 09 January 2018 - Sri Lanka Deposit Insurance Scheme Regulation No. 01 of 2010 was amended by issuing Sri Lanka Deposit Insurance and Liquidity Support Scheme Regulations No. 01 of 2018.
- 08 February 2018 - Banking Act Directions No. 01 of 2018 were issued to all licensed banks specifying Loan to Value (LTV) ratios applicable on credit facilities in respect of electric, hybrid and other unregistered vehicles and registered vehicles, which have been used in Sri Lanka for more/less than one year after the first registration, commencing 01 January 2018.
- 14 March 2018 - Banking Act Order No. 01 of 2018 (off-shore banking business scheme) was issued to all LCBs permitting transactions that are allowed under the provisions of Foreign Exchange Act, No. 12 of 2017, in any designated foreign currency in an account of a non resident maintained in an off-shore banking unit.
- 24 May 2018 - Banking Act Directions No. 02 of 2018 on Appointment of Agents were issued to all licensed banks informing the regulatory framework on the appointment of agents of licensed banks.
- 05 June 2018 - Banking Act Directions on LTV ratios for credit facilities in respect of motor vehicles issued on 08 February 2018 were amended by Banking Act Directions No. 03 of 2018, removing applicability of LTVs on credit facilities granted for procurement of vehicles for Government agencies under the finance leasing method specified by the Ministry of Finance and Mass Media and requesting licensed banks to maintain internal limits and adopt adequate risk management procedures in granting such credit facilities.

¹ This includes major economic policy changes and measures implemented during 2018 as well as those that have been implemented during 2019 until the publication of the Central Bank Annual Report 2018, and policy measures envisaged to be taken in the near future.

- 21 August 2018 - Banking Act Directions No. 04 of 2018 on financial derivatives were issued to licensed banks requesting to adopt more stringent risk management measures covering areas such as commencement of derivative transactions, Board approved policies and procedures, customer awareness, prohibited activities and reporting requirements when engaging in financial derivative transactions. The previous Directions issued in this regard were revoked.
- 23 August 2018 - Banking Act Directions No. 05 of 2018 were issued further amending the Banking Act Directions No. 01 of 2018 on LTV for credit facilities in respect of motor vehicles issued on 08 February 2018 by removing the applicability of LTVs for credit facilities granted for the purchase of motorcycles by field officers in the public service and teachers servicing in difficult areas under the proposed concessionary leasing facility provided by the Government and requesting licensed banks to maintain internal limits and adopt adequate risk management procedures in granting such credit facilities.
- 19 September 2018 - A minimum cash margin of 100 per cent was imposed against letters of credit (LCs) opened with licensed commercial banks for the importation of certain categories of motor vehicles.
- A minimum reserve requirement of 100 per cent was imposed on margins kept against LCs specified above.
- 28 September 2018 - Banking Act Directions No. 06 of 2018 were issued further amending the Banking Act Directions No. 01 of 2018 on LTVs for credit facilities in respect of motor vehicles issued on 08 February 2018. Accordingly, Directions 2.1 of the said Directions were amended reducing the applicable LTV ratio on hybrid motor cars, vans and SUVs. Also licensed banks were advised to refrain from opening LCs for the importation of motor vehicles under the scheme for issuance of motor vehicle permits on concessionary terms issued by the Government of Sri Lanka until further notice.
- 29 September 2018 - Minimum cash margins of 200 per cent and 100 per cent were imposed against LCs opened with LCBs for the importation of motor vehicles and non-essential consumer goods, respectively.
- 01 October 2018 - A minimum reserve requirement of 100 per cent was imposed on margins kept against LCs for measures implemented on 29 September 2018.
- 11 October 2018 - A Circular was issued to LCBs imposing a cash margin of 100 per cent for importation of non-essential consumer goods against imports on documents against acceptance (DA) terms.
- 12 October 2018 - Banking Act Directions No. 07 of 2018 were issued to the National Saving Bank (NSB), informing the NSB to refrain from facilitating importation of motor vehicles and non-essential consumer goods through opening of letters of credit and other modes of payment.
- 18 October 2018 - Banking Act Determination No. 01 of 2018 was issued informing banks of the annual licence fees of the licensed banks for the calendar years 2019 and 2020 to be paid based on the total assets of licensed banks, at the end of the previous year.
- 21 November 2018 - Banking Act Directions No. 08 of 2018 on Net Stable Funding Ratio (NSFR) under Basel III liquidity standards were issued to licensed banks requiring licensed banks to maintain a minimum NSFR of 90 per cent and 100 per cent commencing 01 January 2019 and 01 July 2019, respectively.

	<ul style="list-style-type: none"> - Banking Act Directions No. 09 of 2018 were issued to licensed banks informing amendments to regulatory reporting formats on Liquidity Coverage Ratio under Basel III Liquidity Standards.
26 November 2018	<ul style="list-style-type: none"> - A Circular was issued to impose the cash margin requirement of 100 per cent when opening LCs through foreign currency accounts for the importation of motor vehicles and non-essential goods. Further, the import bill shall be settled in foreign currency utilising the margin deposit maintained with the bank and there shall be no under invoicing when opening LCs.
30 November 2018	<ul style="list-style-type: none"> - Banking Act Directions No. 10 of 2018 were issued on appointment of agents of licensed banks amending and replacing Direction 6 of the Banking Act Directions No. 02 of 2018. - Banking Act Directions No.11 of 2018 were issued to licensed banks informing a new policy on foreign currency borrowings to be effective from 30 November 2018. The new Directions revoked Banking Act Directions No. 07 of 2017 on Foreign Currency Borrowings by Licensed Banks and Circular No. BD/FX/196 dated 13 January 1997 issued by the Chief Accountant of the Central Bank of Sri Lanka. - Banking Act Order No. 02 of 2018 (off-shore banking business scheme) was issued to all licensed banks informing licensed banks to undertake foreign currency borrowings and engage in foreign currency borrowings with a resident subject to terms and conditions in Banking Act Directions No. 11 of 2018 on Foreign Currency Borrowings by licensed banks.
28 December 2018	<ul style="list-style-type: none"> - Banking Act Directions No. 12 of 2018 on Leverage Ratio under Basel III were issued to licensed banks requiring the minimum leverage ratio of 3 per cent which will be applicable to licensed banks commencing 01 January 2019. - A Circular was issued to the NSB informing permission to exclude Government securities representing 60 per cent of money deposited in savings and deposit accounts of the bank, from the exposure measure when calculating the Leverage Ratio.
31 December 2018	<ul style="list-style-type: none"> - A Circular was issued to licensed banks on Guidelines on the Adoption of Sri Lanka Accounting Standard-SLFRS 9: Financial Instruments for immediate implementation with a view to establishing consistent and prudent practices on the adoption of SLFRS 9.
04 January 2019	<ul style="list-style-type: none"> - A Circular was issued to licensed banks informing Guidelines on the Employment of Expatriate Officers in licensed banks in Sri Lanka revoking the previous Circular issued in this regard.
18 January 2019	<ul style="list-style-type: none"> - A Circular was issued to licensed banks on the Publication of Annual and Quarterly Financial Statements and Other Disclosures by licensed banks specifying a new set of formats of financial statements to replace the existing formats in line with the new Accounting Standard.
Forthcoming	<ul style="list-style-type: none"> - Drafting of a new Banking Act - Implementation of Bank Sustainability Rating Indicator (BSRI) - Strengthening fitness and propriety assessment criteria under Corporate Governance - Implementation of a new Share Ownership Policy for licensed banks

- Implementation of Recovery Plans for licensed banks
- Amending the list of Qualified Auditors
- Developing a framework for identifying Systemically Important Domestic Banks
- Developing a framework for Subsidiarisation of large foreign banks
- Formulating a framework for Consolidated Supervision
- Establishing a policy framework for Cyber Security and Digitalising Banking Operations
- Facilitating banking sector initiatives towards Sustainable Finance

Licensed Finance Companies (LFCs) and Specialised Leasing Companies (SLCs)

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| 16 January 2018 | - Finance Business Act (FBA) Directions No. 01 of 2018 were issued on Financial Customer Protection Framework. The same Directions were issued to SLCs on 22 January 2018. |
| 05 March 2018 | - The licence issued to Central Investments and Finance PLC under the FBA No. 42 of 2011 was cancelled and the liquidation process commenced. |
| 13 March 2018 | - All LFCs were informed to obtain a credit rating from a credit rating agency acceptable to the Central Bank and to publish such rating with effect from 01 October 2018. |
| 06 June 2018 | <ul style="list-style-type: none"> - A new capital adequacy framework for LFCs and SLCs was implemented with a view to fostering a strong emphasis on risk management and to encourage ongoing improvements in LFCs/SLCs' risk assessment capabilities. - Directions were issued to regularise the valuation procedure of the LFCs and SLCs regarding immovable properties. |
| 25 July 2018 | - The licence issued to The Standard Credit Finance Limited under the FBA No. 42 of 2011 was cancelled and the liquidation process commenced. |
| 04 September 2018 | - Directions on outsourcing of business operations were issued in order to standardise the outsourcing arrangements entered by LFCs. |
| 01 October 2018 | - Directions were issued to LFCs and SLCs revising LTV ratios applicable for credit facilities in respect of electric, hybrid and other unregistered vehicles and registered vehicles, which have been used in Sri Lanka for less than one year after the first registration, commencing 01 January 2018. This direction was initially issued on 08 February 2018 and subsequently amended on 07 June 2018 and 24 August 2018 before revising on 01 October 2018. As per the direction, the LTV ratio of Hybrid Motor Cars, Vans and SUVs was reduced to 50 per cent. |
| 03 December 2018 | - A Direction was issued to introduce a maximum interest rate on microfinance loans to protect the customers from exorbitant interest rates. |
| Forthcoming | <ul style="list-style-type: none"> - Issuing Directions on ownership limits, liquidity management, corporate governance and provisioning requirements - Issuing regulations on priority of claims in a winding up of a finance company in line with the proposed resolution and enforcement framework of LFCs. |

Insurance

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| 09 January 2018 | - A Direction was issued by the Insurance Regulatory Commission of Sri Lanka (IRC SL) on refraining from employing persons whose services had been terminated on grounds of financial misappropriation or fraud. |
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16 February 2018	- The procedures on management of insurance funds were issued by IRCSL to all long term insurance companies.
20 March 2018	- A Direction was issued by the IRCSL on identification and treatment of one-off surplus.
01 May 2018	- The registration fee of insurance brokers was increased.
24 May 2018	- Guidelines were issued by the IRCSL for insurers and brokers on obtaining leads from LFCs, SLCs and licensed banks.
01 January 2019	- A Direction was issued by the IRCSL on corporate governance for insurance companies.
Forthcoming	- Conducting legal and regulatory reforms with regard to the Financial Sector Modernisation Project by obtaining technical assistance from the World Bank

Capital Market

January 2018	- Rules were enforced by the Securities and Exchange Commission (SEC) on Minimum Public Holding Requirement for all listed companies.
June 2018	- A cross divisional committee was established by the SEC to review responses and stakeholder comments received for the Securities Exchange Bill which was published in the Gazette in November 2017.
July 2018	- The SME board was launched by the SEC to facilitate SMEs to raise capital via the Colombo Stock Exchange (CSE).
August 2018	- Guidelines on fitness and propriety were issued by the SEC for all licensed/registered entities.
September 2018	- An assessment framework was developed by the SEC for Stock Broking firms to enhance the effectiveness of risk based supervision towards Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT).
December 2018	- A framework to Unit Trust Managing Companies who invest/dispose listed equity/ debt securities on their own account was introduced by the SEC. - Necessary policies to introduce a Multi Currency Board were approved by the SEC.
Forthcoming	- Improving the Corporate Governance Framework especially on the duality of the Chief Executive Officer and Chairman - Listing rules on Corporate Governance and Closed Period for Dealing - Proposing a policy for listing of debt securities issued by small and medium enterprises on the Empower Board

Small and Medium Enterprise (SME) Development

04 January 2018	- A Cooperation agreement was signed with the International Finance Corporation (IFC) to develop a National Financial Inclusion Strategy (NFIS) for Sri Lanka.
12 March 2018	- An Administrative Agreement was signed with the Government of Sri Lanka for the implementation of the Smallholder Agribusiness Partnership Programme (SAPP) funded by the International fund for Agriculture Development (IFAD).

- 10 April 2018 - Operating Instructions were issued to Participating Financial Institutions (PFIs) to introduce six new loan schemes under SAPP.
- 15 July 2018 - Poverty Alleviation Microfinance Project II – Revolving Fund (PAMP II - RF) was completed.
- 07 September 2018 - Addendum to the Administrative Agreement was signed with the Government of Sri Lanka for the implementation of SAPP.
- 31 October 2018 - A Memorandum of Understanding was signed with the Project Management Unit (PMU) of SAPP to develop a system to automate the operations of the loan schemes.
- 05 December 2018 - An amendment to the Operating Instructions of SAPP Loan Schemes was issued to PFIs increasing the maximum repayment period and the grace period of Seasonal Loans.

Payments and Settlements

- 18 January 2018 - Guidelines on Minimum Compliance Standard for Payment related Mobile Applications was issued to set minimum compliance standards for Mobile Applications used by Financial Institutions to provide payment services.
 - Direction on Acquiring Payment Card based Electronic Commerce Transactions through Service Providers was issued to stipulate conditions on acquiring payment card based transactions through service providers.
- 25 July 2018 - General Direction No. 01 of 2018 on the operations of the Common Electronic Fund Transfer Switch was issued replacing the General Direction No. 02 of 2014 on the same to increase the clearing cycles for settlement of transactions affected through CEFTS
- 24 August 2018 - General Direction No. 02 of 2018 on the Operations of the Common Point of Sales Switch was issued to ensure smooth operations of the Common Point-of-Sales Switch (CPS) operated by Lanka Clear (Pvt) Ltd to link Point-of-Sales switches of its members to facilitate switching and clearing of not-on-us POS transactions.
- 09 October 2018 - Payment and Settlement Systems Circular No. 06 of 2018 was issued to establish and promote a national Quick Response Code Standard for Local Currency Payments.
- 22 October 2018 - Payment and Settlement Circular No. 07 of 2018 was issued to specify Liability Manager Limits in LankaPay Common ATM Switch and LankaPay Common Electronic Fund Transfer Switch.
- Forthcoming - Issuing a Circular for financial institutions facilitating payments through electronic payment instruments to provide real time notifications for transactions effected through such payment mechanisms.

Anti-Money Laundering and Countering the Financing of Terrorism

- 10 January 2018 - Extraordinary Gazette No. 2053/20 was issued to Designated Non-Finance Businesses as Designated Non-Finance Business (Customer Due Diligence) Rule, No. 1 of 2018, to conduct ongoing customer due diligence based on a “Risk-Based Approach”.
- 11 January 2018 - Guideline No. 1 of 2018 on Money Laundering and Terrorist Financing Risk Management for Financial Institutions was issued.
- 18 April 2018 - Guideline No. 2 of 2018 on Anti-Money Laundering and Countering the Financing of Terrorism Compliance Obligations for Casinos and Gambling Houses was issued.

	- Guideline No. 3 of 2018 on Anti-Money Laundering and Countering the Financing of Terrorism Compliance Obligations for Dealers in Real Estate, Precious Metals, Precious and Semi-Precious Stones was issued.
19 April 2018	- Guideline No. 4 of 2018 on the Identification of Beneficial Ownership for Financial Institutions was issued.
26 April 2018	- Circular No. 1 of 2018 on Procedure of Conducting Risk Based Onsite Examinations was issued to strengthen the process of Anti-Money Laundering and Countering the Financing of Terrorism supervision in order to rectify the gaps identified in the Mutual Evaluation Report of 2015.
18 May 2018	- Guideline No. 5 of 2018 on Implementing United Nations (Sanctions in relation to Democratic People's Republic of Korea) Regulations of 2017 was issued to institutions which engage in "finance businesses" and "designated non-finance businesses" as defined under Section 33 of the Financial Transactions Reporting Act, No. 6 of 2006.
17 July 2018	- Ministry of Foreign Affairs published the United Nations (Sanctions in relation to Iran) Regulations No. 1 of 2018 under Extraordinary Gazette No. 2080/34 dated 17 July 2018 for Financial Institutions and Designated Non Finance Businesses and Professions.
06 August 2018	- Guideline No. 6 of 2018 on Suspicious Transactions Reporting for Financial Institutions was issued.
07 September 2018	- Guidance Note to Law Enforcement Authorities on the Use of Beneficial Ownership Information was issued.
10 September 2018	- Guideline No. 7 of 2018 on Implementing United Nations (Sanctions in relation to Iran) Regulation No.1 of 2018 for Financial Institutions and Designated Non Finance Business and Professions was issued.
08 October 2018	- Extraordinary Gazette No. 2092/02 was issued to Financial Institutions to amend the Rules No. 1 of 2016 regarding Customer Due Diligence.

Foreign Exchange Management

02 May 2018	- The net open position limits applicable to foreign exchange operations of the licensed banks were revised.
29 September 2018	- The suspension of the issuing of vehicle permits to Members of Parliament was announced for a period of one year. - The suspension of the procurement of vehicles for Government Ministries, Departments, Statutory Boards and state owned enterprises was announced until further notice. - The suspension of opening of LCs for importing vehicles using concessionary permits issued to entitled state sector employees was announced for a period of six months.
05 October 2018	- The net open position limits applicable to foreign exchange operations of the licensed banks were revised.
10 October 2018	- Directions were issued to Authorised Dealers in order to restrict them from releasing foreign exchange to importers which involves conversion of Sri Lanka rupees for making payments for the importation of certain non-essential consumer goods under the advance payment terms.
21 December 2018	- Directions were issued to Authorised Dealers for further facilitation of transactions related to investments by Foreign Institutional Investors (FIIS).

Price Revisions

- 28 April 2018 - Price of a 12.5 kg cylinder of LP gas was increased by Rs. 245 to Rs. 1,676.
- 11 May 2018 - The retail prices of major petroleum products were increased as follows:
- Petrol (92 Octane) by Rs. 20 to Rs. 137 per litre
 - Petrol (95 Octane) by Rs. 20 to Rs. 148 per litre
 - Auto diesel by Rs. 14 to Rs. 109 per litre
 - Super diesel by Rs. 9 to Rs. 119 per litre
 - Kerosene by Rs. 57 to Rs. 101 per litre
- 23 May 2018 - Passenger bus fares were increased by 12.5 per cent. The minimum bus fare was increased to Rs. 12 from Rs. 10.
- 13 June 2018 - The retail price of kerosene was reduced by Rs. 31 to Rs. 70 per litre.
- 30 June 2018 - Price of a 12.5 kg cylinder of LP gas was reduced by Rs. 138 to Rs. 1,538.
- 11 July 2018 - The retail prices of major petroleum products were increased as follows:
- Petrol (92 Octane) by Rs. 8 to Rs. 145 per litre
 - Petrol (95 Octane) by Rs. 7 to Rs. 155 per litre
 - Auto diesel by Rs. 9 to Rs. 118 per litre
 - Super diesel by Rs. 10 to Rs. 129 per litre
- 11 August 2018 - The retail prices of major petroleum products were increased as follows:
- Petrol (95 Octane) by Rs. 2 to Rs. 157 per litre
 - Super diesel by Rs. 1 to Rs. 130 per litre
- 11 September 2018 - The retail prices of major petroleum products were increased as follows:
- Petrol (92 Octane) by Rs. 4 to Rs. 149 per litre
 - Petrol (95 Octane) by Rs. 4 to Rs. 161 per litre
 - Auto diesel by Rs. 5 to Rs. 123 per litre
 - Super diesel by Rs. 3 to Rs. 133 per litre
- 21 September 2018 - Passenger bus fares were increased by 4 per cent.
- 27 September 2018 - Price of a 12.5 kg cylinder of LP gas was increased by Rs. 195 to Rs. 1,733.
- 01 October 2018 - Railway fares were increased by 15 per cent.
- 11 October 2018 - The retail prices of major petroleum products were increased as follows:
- Petrol (92 Octane) by Rs. 6 to Rs. 155 per litre
 - Petrol (95 Octane) by Rs. 8 to Rs. 169 per litre
 - Super diesel by Rs. 8 to Rs. 141 per litre
- 12 October 2018 - The Maximum Retail Prices on white sugar were imposed as follows:
- White sugar (Unpacketed) Rs. 100 per kg
 - White sugar (Packeted) Rs. 105 per kg
- 02 November 2018 - The retail prices of major petroleum products were reduced as follows:
- Petrol (92 Octane) by Rs. 10 to Rs. 145 per litre
 - Auto diesel by Rs. 7 to Rs. 116 per litre

- 09 November 2018 - Passenger bus fares were reduced by 2 per cent.
- 16 November 2018 - The retail prices of major petroleum products were reduced as follows:
- Petrol (92 Octane) by Rs. 5 to Rs. 140 per litre
 - Petrol (95 Octane) by Rs. 5 to Rs. 164 per litre
 - Auto diesel by Rs. 5 to Rs. 111 per litre
 - Super diesel by Rs. 5 to Rs. 136 per litre
- 01 December 2018 - The retail prices of major petroleum products were reduced as follows:
- Petrol (92 Octane) by Rs. 5 to Rs. 135 per litre
 - Petrol (95 Octane) by Rs. 5 to Rs. 159 per litre
 - Auto diesel by Rs. 5 to Rs. 106 per litre
 - Super diesel by Rs. 5 to Rs. 131 per litre
- 22 December 2018 - The retail prices of major petroleum products were reduced as follows:
- Petrol (92 Octane) by Rs. 10 to Rs. 125 per litre
 - Petrol (95 Octane) by Rs. 10 to Rs. 149 per litre
 - Auto diesel by Rs. 5 to Rs. 101 per litre
 - Super diesel by Rs. 10 to Rs. 121 per litre
- 27 December 2018 - Passenger bus fares were reduced by 4.2 per cent.
- 11 January 2019 - The retail prices of major petroleum products were reduced as follows:
- Petrol (92 Octane) by Rs. 2 to Rs. 123 per litre
 - Petrol (95 Octane) by Rs. 2 to Rs. 147 per litre
 - Auto diesel by Rs. 2 to Rs. 99 per litre
 - Super diesel by Rs. 3 to Rs. 118 per litre
- 12 February 2019 - The retail prices of major petroleum products were increased as follows:
- Petrol (92 Octane) by Rs. 6 to Rs. 129 per litre
 - Petrol (95 Octane) by Rs. 5 to Rs. 152 per litre
 - Auto diesel by Rs. 4 to Rs. 103 per litre
 - Super diesel by Rs. 8 to Rs. 126 per litre
- 13 March 2019 - The retail prices of major petroleum products were increased as follows:
- Petrol (92 Octane) by Rs. 3 to Rs. 132 per litre
 - Petrol (95 Octane) by Rs. 7 to Rs. 159 per litre
 - Auto diesel by Rs. 1 to Rs. 104 per litre
 - Super diesel by Rs. 8 to Rs. 134 per litre

Tax Revisions

Personal Income Tax

- 01 April 2018 - Major changes as per the Inland Revenue Act (IRA), No. 24 of 2017 are as follows:
- Personal relief for individual income was maintained at Rs. 500,000 per annum.

- Relief on employment income of resident individuals was increased to Rs. 1.2 million from Rs. 750,000 per annum. (A personal relief of Rs. 500,000 and a relief of Rs. 700,000 on employment income are included in this Rs. 1.2 million.)
- Income tax slabs were widened from Rs. 500,000 to Rs. 600,000 and the progressive tax rate structure was revised as follows:

Taxable Income (per annum)			
Previous Act	Tax Rate	Current Act	Tax Rate
First Rs. 500,000	4%	First Rs. 600,000	4%
Rs. 500,001 - Rs. 1,000,000	8%	Rs. 600,001 - Rs. 1,200,000	8%
Rs. 1,000,001 - Rs. 1,500,000	12%	Rs. 1,200,001 - Rs. 1,800,000	12%
Exceeding Rs. 1,500,000	16%	Rs. 1,800,001 - Rs. 2,400,000	16%
		Rs. 2,400,001 - Rs. 3,000,000	20%
		Exceeding Rs. 3,000,000	24%

- Capital Gains Tax (CGT) was introduced at a rate of 10 per cent.

Corporate Income Tax

- 01 April 2018
- The corporate income tax rates were revised as per the IRA, No. 24 of 2017 to a 3 tier structure as follows:
 - (a) A lower rate of 14 per cent is applicable on profits and income of SMEs, export of goods or services, agricultural enterprises, educational services, promotion of tourism, IT services, charitable institutions, EPF, ETF and pension funds
 - (b) The standard rate of 28 per cent is applicable on profits and income of all other sectors including banking and finance, insurance, leasing and related activities etc.
 - (c) The highest rate of 40 per cent is applicable on profits and income of betting and gaming, liquor and tobacco

Withholding Tax (WHT)

- 01 April 2018
- Major changes as per the IRA, No. 24 of 2017 are as follows:
 - WHT on interest income received by individuals from bank deposits was increased to 5 per cent from 2.5 per cent.
 - WHT on interest income received by senior citizens from bank deposits up to Rs. 1.5 million was exempted.
 - WHT on interest income on Treasury bills and Treasury bonds was exempted.
 - WHT was imposed on service fees and contract payments exceeding Rs. 50,000 per month.
- Forthcoming
- Exempting WHT on Royalty payments not exceeding Rs. 50,000 per month, subject to Rs. 500,000 for each year of assessment, made to any resident individual.
 - Exempting WHT on Rent payments not exceeding Rs. 50,000 per month, subject to Rs. 500,000 for each year of assessment, made to any resident individual.

Economic Service Charge (ESC)

- Forthcoming
- Reducing the applicable ESC rate to 0.25 per cent from 0.50 per cent on the turnover arising from the export of goods or services

- Imposing ESC at a rate of 0.50 per cent on the importation of any article or good other than any capital goods as prescribed by the Minister of Finance taking into consideration the economic benefit to the country

Income Tax Exemptions²

- Forthcoming
- The earnings by any non-resident person on any sovereign bond denominated in local or foreign currency
 - Interest income earned by any resident person on sovereign bonds denominated in foreign currency, including Sri Lanka Development Bonds (SLDB)
 - Interest income earned by any person on NRFC and RFC accounts (for 5 years)
 - Interest income, up to Rs. 5,000 per month, earned by children of less than 18 years of age, in relation to any deposit account maintained in a financial institution
 - Interest paid to any person outside Sri Lanka on loans granted by such person to any person in Sri Lanka (not applicable to loans granted by a non-resident company to its Holding company or a Subsidiary Company in Sri Lanka)

Investment Incentives to promote high value domestic investments and Foreign Direct Investments (FDIs)

- Forthcoming
- Granting incentives for large scale projects are as follows:

Tax Measure	Size of the Investment		
	over US dollars 1 billion	over US dollars 100 million	over US dollars 50 million
Capital Allowances of up to 150 per cent of investment value	150 per cent and 25 years	150 per cent and 10 years	100 per cent and 10 years
Removal of up-front taxes	NBT: Exempt PAL: Exempt Cess: Exempt Duty and other taxes on negative list items: the negative list shall not apply		
Dividend tax paid by the company to a non-resident	Zero	Not Available	Not Available
WHT on expatriate employees' employment income	Exempt	Not Available	Not Available

Value Added Tax (VAT)

- 02 July 2018
- Cost of healthcare services other than the hospital room charges were exempted from VAT.
- 01 November 2018
- VAT rate applicable on sawn timber was reduced to 5 per cent from 15 per cent.
 - Importation of fabrics was exempted from VAT.
- Forthcoming
- Increasing the piece based VAT rate applicable on domestic sale of certain garments by the export oriented Board of Investment (BOI) companies to Rs. 100 from Rs. 75
 - Imposing VAT on the supply of condominium housing units

² Income tax exemptions are applicable for both personal income taxes and corporate income taxes.

Nation Building Tax (NBT)

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| 01 April 2018 | <ul style="list-style-type: none"> - NBT exemption on sale of liquor by the importer himself was removed. - Any service provided by the Sri Lanka Deposit Insurance Scheme established by the regulations made under the Monetary Law Act was exempted. |
| 30 July 2018 | <ul style="list-style-type: none"> - NBT exemption on imports of liquor and the turnover from the business of manufacture of liquor was removed. - In addition, the following goods and services were exempted from NBT: <ul style="list-style-type: none"> - Locally manufactured coconut milk, coconut oil, poonac, pairing, coconut shells or coconut water at the point of sale by the manufacturer, for a period of three years commencing from 01 April 2018 - Services by a construction contractor if such service is provided under a contract agreement executed prior to 01 August 2017 - Importation of non-motorized equipment and accessories for water sports including kayaks, canoes, kite surfing and diving - Non-powered equipment and accessories for aero including hang gliding, ballooning, dirigibles, parachuting, and para-gliding classified under Harmonised Commodity Description and Coding Numbers for customs purposes at the point of importation - Importation of gem stones for the purpose of re-export upon being cut and polished - Importation of equipment for greenhouses and polytunnels and materials for the construction of greenhouses subject to the condition that such items are not manufactured in Sri Lanka and are approved by the Director General, Department of Fiscal Policy on the recommendation of the Secretary to the Ministry of the Minister assigned the subject of Agriculture |
| Forthcoming | <ul style="list-style-type: none"> - Removing NBT exemption on manufacturing of cigarettes - Removing NBT on main construction contractor - Exempting importation of rough unprocessed gem stones for re-export after cutting and polishing by the lapidary service providers registered under the National gem and Jewellery Authority - Imposing NBT on foreign payments made using Electronic Fund Transfer Cards (both debit and credit cards) to purchase goods or services including offshore digital services at a rate of 3.5 per cent, removing existing stamp duty rate of 2.5 per cent on the usage of credit cards for foreign purchases - Exempting NBT on foreign currency receipts by tourist hotels - NBT on the importation of Lucerne (alfalfa) meal and pellets was removed. |

Excise Duty

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| 21 February 2018 | <ul style="list-style-type: none"> - Excise duty on non potable spirits imported to Sri Lanka was reduced to Rs. 6 per bulk kg from Rs. 15 per bulk kg. |
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04 October 2018 - Excise duty on the importation of non-potable spirits by the BOI approved companies was exempted.

06 March 2019 - The Excise duty on liquor based on the Alcohol volume was increased as follows;

Type	Previous Tax Rate (Rs. per litre of alcohol)	Current Tax Rate (Rs. per litre of alcohol)
Special Arrack	3,300	3,300
Other Arrack	3,300	3,550
Country made Foreign Liquor	3,300	3,550
Beer less than 5%	2,400	2,700
Beer more than 5%	2,400	2,700
Local Wine	Rs. 100 / Bulk Ltr	Rs.600 / Absolute Ltr

- Excise duty on imported liquor was increased as follows;
 - Excise duty of Malt Liquor (Beer) was increased to Rs. 55 per bulk litre from Rs. 50 per bulk litre
 - Excise duty of wine was increased to Rs. 110 per bulk litre from Rs. 100 per bulk litre
 - Excise duty of other liquor was increased to Rs. 215 per bulk litre from Rs. 200 per bulk litre

Excise (Special Provisions)

31 May 2018 - Excise duty of Rs. 7 per liter was imposed on kerosene other than kerosene type jet fuel.

14 June 2018 - Excise duty of Rs. 7 per liter on kerosene was removed.

01 August 2018 - Excise duty on motor vehicles of cylinder capacity not exceeding 1,000 cm³ was revised to Rs. 1.5 million per unit or Rs. 1,750 per one cm³ of the engine, whichever is higher, from Rs. 1,750 per one cm³

- Excise duty on hybrid, plug in hybrid and electrical motor vehicles of cylinder capacity not exceeding 1,000 cm³ was revised to Rs. 1.25 million per unit from Rs. 1,250 per one cm³
- Excise duty on cigarettes each exceeding 72 mm but not exceeding 84 mm in length was increased to Rs. 33,550 per 1,000 cigarettes from Rs. 30,550 per 1,000 cigarettes
- Excise duty on cigarettes each exceeding 84 mm in length was increased to Rs. 37,675 per 1,000 cigarettes from Rs. 34,250 per 1,000 cigarettes

02 November 2018 - Excise duty on the importation of auto diesel was decreased to Rs. 6 per litre from Rs. 13 per liter.

03 December 2018 - Imposed an excise duty of Rs. 12 per litre or 30 cents per gram of sugar, excluding 6 gram per 100 milliliters, contained in the product whichever is higher on sweetened

beverages, energy drinks and beverages based on fruit or vegetables juices replacing the previous rate of 50 cents per gram of sugar contained in the product.

- 06 March 2019
- Excise duty on cigarettes was increased by 12 per cent.
 - Excise duty on sweetened beverages was increased to 40 cents per gram of sugar from 30 cents per gram of sugar in excess of the exempt quantity
 - Exempt quantum of sugar content in beverages was reduced as follows;
 - for carbonated beverages to 4 grams per 100 ml from 6 grams per 100 ml
 - for fruit based beverages to 8 grams per 100 ml from 9 grams per 100 ml
 - Excise duty on palm oil fatty acids was reduced as follows;
 - for Palm oil fatty acids to 20 per cent from 25 per cent
 - for Tallow fatty acids to 20 per cent from 25 per cent
 - Excise duty on refrigerators was increased to 25 per cent from 17 per cent
 - Excise duty on vehicles imported as Chassis fitted with engines was reduced to Rs. 500,000 from Rs. 700,000
 - Excise duty on motor vehicles with engine capacity less than 2,000 cm³ was increased.
 - Excise duty on hearses, hybrid and electric vans, and single cabs was reduced.
 - Excise duty on buddy trucks with cargo carrying capacity less than 2,000 kg was reduced.

Customs Duty

- 18 April 2018
- Customs duty of 15 per cent was imposed on the importation of gold.
- 03 May 2018
- The specific duty imposed by the Customs on the importation of Beedi leaves was increased to Rs. 750 per kg from Rs. 250 per kg, while the ad-valorem duty rate was kept at 30 per cent.
 - A specific duty of Rs. 150 per kg was introduced on the importation of Beetle tobacco as an alternative levy to the ad valorem duty rate of 85 per cent, and Customs duty levied on whichever is higher.
- 11 May 2018
- Customs duty waiver on the importation of petrol (92 Octane) was decreased to Rs. 9.58 per litre from Rs. 23 per litre. Hence, the applicable rate was Rs. 25.42 per litre.
 - Customs duty waiver on the importation of petrol (95 Octane) was decreased to Rs. 9.41 per litre from Rs. 23 per litre. Hence, the applicable rate was Rs. 25.59 per litre.
 - Customs duty waiver on the importation of auto diesel was decreased to Rs. 9.15 per litre from Rs. 11 per litre. Hence, the applicable rate was Rs. 5.85 per litre.
 - Customs duty waiver on the importation of super diesel was decreased to Rs. 4.45 per litre from Rs. 11 per litre. Hence, the applicable rate was Rs. 10.55 per litre.

16 May 2018	<ul style="list-style-type: none"> - Customs duty on the importation of petrol (92 Octane) was decreased to Rs. 25.42 per litre from Rs. 35 per litre and the duty waiver was decreased to Rs. 7 per litre from Rs. 9.58 per litre. Hence, the applicable rate was Rs. 18.42 per litre. - Customs duty on the importation of petrol (95 Octane) was decreased to Rs. 25.59 per litre from Rs. 35 per litre and the duty waiver withdrawn. - Customs duty on the importation of auto diesel was decreased to Rs. 5.85 per litre from Rs. 15 per litre and the duty waiver was decreased to Rs. 2 per litre from Rs. 9.15 per litre. Hence, the applicable rate was Rs. 3.85 per litre. - Customs duty on the importation of super diesel was decreased to Rs. 10.55 per litre from Rs. 15 per litre and the duty waiver withdrawn.
11 July 2018	<ul style="list-style-type: none"> - The specific duty imposed by the Customs on the importation of Beedi leaves was decreased to Rs. 250 per kg from Rs. 750 per kg, while the ad-valorem duty rate remains at 30 per cent.
19 September 2018	<ul style="list-style-type: none"> - Customs duty waiver of Rs. 4 per kg was imposed on the importation of sugar. Hence, the applicable duty rate is Rs. 8 per kg. - Customs duty waiver on milk powder was decreased to Rs. 175 per kg from Rs. 223 per kg. Hence, the applicable duty rate was Rs. 50 per kg.
03 October 2018	<ul style="list-style-type: none"> - Customs duty waiver on milk powder was increased to Rs. 223 per kg from Rs. 175 per kg. Hence, the applicable duty rate was Rs. 2 per kg.
17 October 2018	<ul style="list-style-type: none"> - Customs duty waiver on milk powder was decreased to Rs. 210 per kg from Rs. 223 per kg. Hence, the applicable duty rate is Rs. 15 per kg.
02 November 2018	<ul style="list-style-type: none"> - Customs duty waiver on the importation of petrol (92 Octane) was increased to Rs. 13 per litre from Rs. 7 per litre. Hence, the applicable duty rate was Rs. 12.42 per litre. - Customs duty waiver on the importation of wheat grain was increased to Rs. 9 per kg from Rs. 6 per kg. Hence, the applicable duty rate is Rs. 3 per kg.
16 November 2018	<ul style="list-style-type: none"> - Customs duty on the importation of petrol (92 Octane) was increased to Rs. 35 per litre from Rs. 25.42 per litre and the duty waiver was increased to Rs. 20 per litre from Rs. 13 per litre. Hence, the applicable duty rate was Rs. 15 per litre. - Customs duty on the importation of petrol (95 Octane) was increased to Rs. 35 per litre from Rs. 25.59 per litre and the duty waiver was decreased to Rs. 3 per litre from Rs. 9.41 per litre. Hence, the applicable duty rate was Rs. 32 per litre.
20 November 2018	<ul style="list-style-type: none"> - Customs duty waiver on the importation of auto diesel was increased to Rs. 5 per litre from Rs. 2 per litre. Hence, the applicable duty rate was Rs. 0.85 per litre.
28 December 2018	<ul style="list-style-type: none"> - Customs duty waiver on the importation of petrol (95 Octane) was withdrawn. Hence, the applicable duty rate is Rs. 35 per litre.
12 January 2019	<ul style="list-style-type: none"> - Customs duty waiver on the importation of petrol (92 Octane) was decreased to Rs. 19 per litre from Rs. 20 per litre. Hence, the applicable duty rate is Rs. 16 per litre.

- Customs duty waiver on the importation of auto diesel was decreased to Rs. 3 per litre from Rs. 5 per litre. Hence, the applicable duty rate is Rs. 2.85 per litre.
- 06 March 2019 - Customs duty on Undenatured Ethyl Alcohol was increased by Rs. 200 to Rs. 1,000 per litre.
- Customs duty rate of 30 per cent on the importation of Go-Kart and Go-Kart Tyres was removed.
- Forthcoming - Revising the Customs duty applicable on imported fruit drinks

Cess

- 01 January 2018 - An ad-valorem Cess rate of 2.5 per cent of the Colombo Tea Auction average price was introduced on the importation of tea, whether or not flavoured as an alternative levy to the specific Cess of Rs. 10 per kg and Cess levied on whichever is higher.
- 06 March 2019 - Cess duty applicable on Tendu Leaves (beedi leaves) was increased to Rs. 3,500 per kg from Rs. 2,500 per kg
- Cess on dried fruits, fresh or dried nuts and used or reconditioned refrigerator, freezers was reduced.
- Cess on motor vehicles parts, biodegradable & compostable plastic was revised.
- Cess on imported construction material was reduced by 30 per cent.
- Cess duty rate of 15 per cent or Rs. 90 per kg on the importation of Go-Kart and Go-Kart Tyres was removed.

Special Commodity Levy (SCL)

- 01 January 2018 - SCL of 25 cents per kg on the importation of husked brown rice, semi-milled or wholly milled raw rice (Kekulu), Naadu rice (red or white), Samba rice (red or white) and broken rice was extended up to 31 March 2018.
- 19 January 2018 - SCL on the importation of Maldive fish, black gram, chillies, seeds of coriander, turmeric, black gram flour and canned fish was extended for a period of six months.
- SCL of Rs. 200 per kg was imposed on the importation of grated or powdered cheese of all kinds for a period of six months.
- 01 February 2018 - SCL of Rs. 10 per kg on the importation of maize was extended for a period of 31 days.
- 16 February 2018 - SCL on the importation of sugar was extended for a period of six months.
- 24 February 2018 - SCL on the importation of potatoes was increased to Rs. 30 per kg from Rs. 1 per kg until 31 March 2018.
- 08 March 2018 - SCL on the importation of mackerel, peas, chickpeas, cowpeas and kurakkan was extended for a period of six months.
- 20 March 2018 - SCL on the importation of black gram was increased to Rs. 100 per kg from Rs. 60 per kg for a period of six months.

01 April 2018	<ul style="list-style-type: none"> - SCL of 25 cents per kg on the importation of husked brown rice, semi-milled or wholly milled raw rice (Kekulu), Naadu rice (red or white), Samba rice (red or white) and broken rice was extended for a period of 31 days. - SCL on the importation of potatoes was extended for a period of three months. - SCL on the importation of yoghurt, butter, dairy spreads, garlic, fresh oranges, fresh grapes, fresh apples, mathe seeds, kurakkan flour, ground nuts, mustard seeds and salt was extended for a period of six months.
02 May 2018	<ul style="list-style-type: none"> - SCL on the importation of the following food items was increased for a period of six months: <ul style="list-style-type: none"> - Potatoes from Rs. 30 per kg to Rs. 40 per kg - B'onions from Rs. 1 per kg to Rs. 40 per kg
08 May 2018	<ul style="list-style-type: none"> - SCL on the importation of fresh, frozen or chilled fish, excluding fish fillets and other fish meat (other than Mackerel fish, Sail fish, Marlin fish and Thora fish), green gram (Moong), mangoosteens (fresh and dried), oranges (dried), pears, cherries, plums and sloes, kiwifruit, sprats and dried fish was extended for a period of six months.
09 May 2018	<ul style="list-style-type: none"> - SCL on the importation of red and yellow lentils was increased for a period of six months as follows: <ul style="list-style-type: none"> - Whole from Rs. 1 per kg to Rs. 7 per kg - Split from Rs. 3 per kg to Rs. 12 per kg
21 May 2018	<ul style="list-style-type: none"> - SCL on the importation of red onions, dates (fresh and dried), grapes (dried), seeds of cumin, seeds of fennel and margarine was extended for a period of one year.
01 June 2018	<ul style="list-style-type: none"> - SCL on the importation of vegetable oils was increased by Rs. 20 per kg for a period of six months.
14 June 2018	<ul style="list-style-type: none"> - SCL on the importation of Sail fish, Marlin fish, Thora fish and coconut kernel was extended for a period of twelve months. - SCL on the importation of black gram was increased to Rs. 150 per kg from Rs. 100 per kg for a period of twelve months.
19 July 2018	<ul style="list-style-type: none"> - SCL on the importation of grated or powdered cheese, Maldive fish, chillies, seeds of coriander, turmeric, black gram flour and canned fish was extended for a period of twelve months.
01 August 2018	<ul style="list-style-type: none"> - SCL on the importation of fresh, frozen or chilled fish, excluding fish fillets and other fish meat was revised to Rs. 25 per kg from 10 per cent or Rs. 100 per kg whichever is higher, for a period of two months.
09 August 2018	<ul style="list-style-type: none"> - SCL of Rs. 10 per kg was imposed on the importation of maize for a period of six months.
16 August 2018	<ul style="list-style-type: none"> - SCL on the importation of sugar was extended for a period of six months.
25 August 2018	<ul style="list-style-type: none"> - SCL on the importation of vegetable oils was increased by Rs. 20 per kg for a period of six months.

08 September 2018	- SCL on the importation of mackerel, peas, chickpeas, cowpeas and kurakkan was extended for a period of one year.
18 September 2018	- The SCL on the importation of sugar was replaced with an Excise duty of Rs. 30 per kg, Customs duty of Rs. 12 per kg, 7.5 per cent of Ports and Airports Development Levy (PAL) and 2 per cent of NBT.
01 October 2018	- SCL on the importation of fish (fresh, chilled or frozen) was increased to 10 per cent or Rs. 100 per kg whichever is higher from Rs. 25 per kg for a period of one year. SCL on the importation of yogurt, butter, dairy spreads, garlic, oranges (fresh), grapes (fresh), apples (fresh), mathe seed, kurakkan, ground nuts (shelled), mustard seeds and salt were extended for a period of one year.
02 November 2018	- SCL on the importation of potatoes and B'onions was extended for a period of 31 days. - SCL on the importation of the following food items was decreased for a period of three months as follows: <ul style="list-style-type: none"> - Chickpeas (whole) from Rs. 7 per kg to Rs. 2 per kg - Chickpeas (split) from Rs. 10 per kg to Rs. 5 per kg - Black gram from Rs. 150 per kg to Rs. 125 per kg - Yellow lentils (whole) from Rs. 7 per kg to Rs. 2 per kg - Yellow lentils (split) from Rs. 12 per kg to Rs. 7 per kg - Excise duty of Rs. 30 per kg, Customs duty of Rs. 12 per kg, 7.5 per cent of PAL and 2 per cent of NBT on the importation of sugar was replaced with SCL for a period of three months as follows: <ul style="list-style-type: none"> - White Crystalline cane sugar and White Crystalline beet sugar at Rs. 32 per kg - Cane and beet sugar at Rs. 35 per kg
08 November 2018	- SCL on the importation of green gram, fresh and dried mangoosteens, dried oranges, pears, cherries, plums and sloes, kiwifruit, sprats and dried fish were extended for a period of six months.
24 November 2018	- SCL on the importation of the following food items was decreased for a period of six months as follows: <ul style="list-style-type: none"> - Peas (whole) from Rs. 15 per kg to Rs. 5 per kg - Peas (split) from Rs. 18 per kg to Rs. 8. per kg
03 December 2018	- SCL on the importation of potatoes and B'onions were decreased to Rs. 20 per kg from Rs. 40 per kg for a period of three months.
02 February 2019	- SCL on the importation of chickpeas (whole and split), red lentils (whole and split), yellow lentils (whole and split), beet sugar, cane sugar, white crystalline cane sugar and white crystalline beet sugar were extended for a period of six months.
08 February 2019	- SCL on the importation of potatoes was increased to Rs. 50 per kg from Rs. 20 per kg for a period of three months.

- 09 February 2019 - SCL on the importation of maize was increased to Rs. 20 per kg from Rs. 10 per kg for a period of six months.
- 06 March 2019 - SCL was imposed on the importation of palm oil in lieu of the NBT applicable on local value addition.

Ports and Airports Development Levy (PAL)

- 05 April 2018 - A concessionary rate of 2.5 per cent was levied on the importation of high tech machinery and equipment.
- 06 March 2019 - PAL on high-tech machinery and equipment items was reduced to 2.5 per cent from 7.5 per cent.
- PAL on the sale of pleasure or excursion vessels and yachts manufactured by any BOI company to another BOI company that chartered such vessels and yachts for its business was removed.
- PAL on selected items to promote tourism sector and to reduce the upfront cost of local manufacturing industry was reduced.
- PAL on sawing machines and grinding or polishing machines was removed.
- PAL on the importation of Lucerne (alfalfa) meal and pellets was removed.

Luxury Tax on Motor Vehicles

- 06 March 2019 - Luxury tax on imported motor vehicles was imposed on the CIF value or the manufacturer's price in the case of locally assembled vehicles based on the amount exceeding the luxury tax free threshold as follows;

Type of Vehicle	Luxury Tax Free Threshold	Rate (a)
Diesel	Rs. 3.5 million	120%
Petrol	Rs. 3.5 million	100%
Hybrid diesel	Rs. 4.0 million	90%
Hybrid petrol	Rs. 4.0 million	80%
Electric	Rs. 6.0 million	60%

(a) Applicable on the amount exceeding the Luxury Tax Free Threshold

Carbon Tax

- Forthcoming - Maximum carbon tax payable on commercial vehicles will be capped as follows;

Fuel Type	Less than 5 years		5 to 10 years		Over 10 years	
	Existing Tax	New Tax	Existing Tax	New Tax	Existing Tax	New Tax
Hybrid (Petrol/Diesel)	25 cents per cm ³	25 cents per cm ³ or Rs. 3,500 whichever is lower	50 cents per cm ³	50 cents per cm ³ or Rs. 5,500 whichever is lower	Rs. 1.00 per cm ³	Rs. 1.00 per cm ³ or Rs. 7,500 whichever is lower
Fuel (Petrol/Diesel)	50 cents per cm ³	50 cents per cm ³ or Rs. 3,500 whichever is lower	Rs. 1.00 per cm ³	Rs. 1.00 per cm ³ or Rs. 5,500 whichever is lower	Rs. 1.50 per cm ³	Rs. 1.50 per cm ³ or Rs. 7,500/- whichever is lower

Betting and Gaming Levy

- Forthcoming
- Increasing the annual levy for carrying on the business of gaming other than playing rudi-jino to Rs. 400 million from Rs. 200 million
 - Imposing an annual levy of Rs. 1 million for carrying on the business of playing rudi-jino
 - Decreasing the casino entrance levy to US dollars 50 per person from US dollars 100 per person
 - Increasing the levy on gross collection to 15 per cent from 10 per cent

Other Taxes and Levies

- Forthcoming
- Removing International Telecommunication Operators Levy
 - Increasing Embarkation Levy by US dollars 10 to US dollars 60 per passenger

Other Fees and Charges

- 01 January 2018
- Annual liquor license fee was revised.
- 01 April 2018
- License fee for bottling toddy was decreased to Rs. 500,000 from Rs. 1,000,000.
- 16 April 2018
- License fee for toddy tapping was introduced.
- Forthcoming
- Increasing the rates of fees and charges of government agencies by 15 per cent which have not been revised in the last 03 years
 - Revising passport fees as follows;
 - Alteration Fee to Rs. 1,000 per unit from Rs. 500 per unit
 - Processing fee (Urgent basis) to Rs. 15,000 per unit from Rs. 10,000 per unit
 - Processing fee (Normal basis) to Rs. 3,500 per unit from Rs. 3000 per unit

Government Expenditure

- 21 February 2018
- Public Administration Circular No. 04/2018 was issued for the payment of a Chartered Engineers' allowance to engineering professionals in the Sri Lanka Engineering Service.
- 04 May 2018
- Pension Circular No. 09/2015 (Revision III) was issued to provide the death gratuity payments online with effect from 01 June 2018.
- 24 May 2018
- Public Administration Circular No. 07/2018 was issued to accelerate and formalise the pension payment process.
- 24 June 2018
- Public Administration Circular No. 08/2018 was issued for the payment of compensation to dependents of a public officer, in the event the officer dies due to diseases contracted while engaged in hazardous employment or the performance of duties assigned to the relevant officer.
- Forthcoming
- Granting an interim allowance of Rs. 2,500 per month to all the public-sector employees
 - Revising pension payments in order to incorporate the first two phases of the Public Administration Circular No. 03/2016 to the basic salary obtained by the pensioner at the time of retirement

Debt Management

- 09 January 2018
- The Sri Lanka Development Bond (SLDB) issuance was authorised up to a limit of US dollars 3,000 million for 2018.

- 27 March 2018 - Issuance of International Sovereign Bonds (ISBs) was authorised up to a limit of US dollars 2,500 million for 2018 within the overall foreign currency borrowing limit of US dollars 5,000 million through the issuance of ISBs and SLDBs.
- 28 March 2018 - The Active Liability Management Act, No. 8 of 2018 was passed by the Parliament.
- 26 October 2018 - Resolution to raise up to Rs. 310 billion as per the Active Liability Management Act, No. 8 of 2018 was approved by the Parliament.

Other

- 12 July 2018 - Extraordinary Gazette No. 2079/42 was issued by the Ministry of Mahaweli Development and Environment to introduce emission standards on the importation, manufacturing or assembling of motor vehicles.
- 13 July 2018 - Extraordinary Gazette No. 2079/70 was issued by the Department of Import and Export Control to introduce emission standards and safety measures on the importation of motor vehicles.
- 01 November 2018 - The Finance Act, No. 35 of 2018 was enacted by the Parliament imposing the Vehicle Entitlement Levy, Carbon Tax, Annual Company Registration Levy, Debt Repayment Levy, Cellular Tower Levy, Levy on Mobile Short Message Services and amending Luxury Tax on motor vehicles.

