

About the Bank

Establishment and Legal Form

The Central Bank of Sri Lanka (CBSL) is a statutory body corporate with perpetual succession, responsible for the oversight and regulation of Sri Lanka's monetary, financial, and payment systems. The Bank operates under the Central Bank of Sri Lanka Act, No. 16 of 2023, effective from 15 September 2023, which replaced the Monetary Law Act, No. 58 of 1949. The Act strengthened the legal and institutional framework, enhanced the independence of the Central Bank and supported the effective and autonomous discharge of its mandate.

Objectives

As per Section 6 of the CBA, the Central Bank's primary objective is to achieve and maintain domestic price stability while taking into account the stabilisation of output towards its potential.

The other objective is to secure financial system stability while ensuring the development and efficiency of the financial system.

In addition, the Central Bank shall support the general economic policy framework of the Government.

Functions

In fulfilling its mandate, the Central Bank formulates and implements monetary policy, determine and implement the exchange rate and manages the country's official international reserves.

The Bank also regulates and supervises financial institutions and oversees payment systems to ensure their safety and soundness, thereby contributing to the resilience of the country's financial system.

Moreover, the Central Bank engages in monitoring financial institutions under its regulation and supervision, adopts and implements macroprudential policy

measures, promotes financial inclusion in Sri Lanka, and manages deposit insurance and liquidity support schemes to secure financial system stability.

The Central Bank has the sole authority to issue currency in Sri Lanka, thereby safeguarding the integrity and stability of the national currency.

The Central Bank acts as the financial adviser, banker, and fiscal agent of the Government.

Governing Structure

The governance framework of the Central Bank is anchored on two main decision-making bodies: the Governing Board (GB), which is responsible for the overall administration and management of the Bank, and the Monetary Policy Board (MPB), which is responsible for the formulation and conduct of monetary policy. Board members are appointed by the President on the recommendation of the Minister of Finance and with the approval of the Constitutional Council established under Article 41A of the Constitution.

The Governor is the Chief Executive Officer and the principal representative of the Central Bank. In addition, the Senior Management team comprises the Senior Deputy Governor, Deputy Governors, Assistant Governors and Heads of Departments.

International Collaborations and Engagements

The Central Bank actively engages with international financial institutions including the International Monetary Fund (IMF), the World Bank, the Asian Development Bank (ADB), and the central banking networks such as Bank for International Settlements (BIS), to support capacity development, policy formulation, and financial sector reforms. The Bank also participates in bilateral and multilateral arrangements

with other central banks, regional institutions, and international regulatory bodies, fostering cooperation, knowledge sharing, and regulatory harmonisation. Through its engagement in global and regional economic forums, the Central Bank remains closely connected to the international financial system and responds to emerging global economic and financial developments.

Public Engagement and Services

The Central Bank maintains continuous engagement with the public through diverse communication channels, including traditional media, digital platforms, and official publications. The Bank implements financial literacy and outreach programmes, seminars, and educational initiatives to strengthen public understanding of economic and financial issues. It also provides accessible channels for public inquiries and feedback on banking regulations, consumer protection, financial fraud prevention, and monetary policy. Through these efforts, the Central Bank supports financial inclusion, builds consumer confidence, and promotes informed participation in the financial system.

Principal Office

The Central Bank's principal place of business is in Colombo 01. It also has six regional offices in Anuradhapura, Matara, Matale, Nuwara Eliya, Kilinochchi, and Trincomalee allowing the Bank to extend its services and outreach nationwide.