

## *APPENDIX 1*

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## Major Economic Policy Changes and Measures<sup>1</sup>

### 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.

### Financial Sector

#### Licensed Banks

- 08 January 2018 - Circular No. 01 of 2018 was issued to licensed banks informing banks to refrain from issuance of Usance Letter of Credit facility for importation of motor vehicles commencing from 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 for 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 from 01 January 2018.
- 14 March 2018 - Banking Act Order No. 01 of 2018 (off-shore banking business scheme) was issued to all licensed banks 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 appointment of agents of licensed banks.
- 05 June 2018 - Banking Act Directions on LTV ratio 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 for 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.
- 21 August 2018 - Banking Act Directions No. 04 of 2018 on financial derivatives were issued to licensed banks to be effective from 21 August 2018. The new Directions revoke Banking Act Directions No. 06 of 2017 dated 29 November 2017 on Financial

1. This includes major economic policy changes and measures implemented during January to October 2018. Policy changes and measures that have been announced and are yet to be implemented during the remaining period of 2018 are also included.

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- Derivative Transactions for licensed commercial banks and licensed specialised banks; Directions on Financial Derivative Products issued on 01 August 2009 by the Controller of Exchange and the Director of International Operations; and Directions to Authorised Dealers on Forward Sales and Purchases of Foreign Exchange issued on 02 January 2013 by the Controller of Exchange.
- 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 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 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 LTV for credit facilities in respect of motor vehicles issued on 08 February 2018. Accordingly, Directions 2.1 of the Act was replaced reducing the applicable LTV ratio on hybrid motor cars, vans and SUVs. Also licensed banks were advised to refrain from opening of letters of credit for 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 licensed commercial banks 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.
- Forthcoming - Amending the Banking Act No 30 of 1988
- Implementing the Net Stable Funding Ratio (NSFR) under Basel III
- Implementing Leverage Ratio under Basel III
- Adopting guidelines on Sri Lanka Accounting Standard - (SLFRS 9) Financial Instruments for licensed banks
- Strengthening fitness and propriety assessment criteria under Corporate Governance
- Issuing guidelines on employment of expatriate staff in licensed banks
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- Implementing a new share ownership policy for licensed banks
- Implementing recovery plans for licensed banks

### 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.   |
| 08 February 2018  | - | Directions were issued to LFCs and SLCs specifying 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. Further, amendments to these Directions were issued on 07 June 2018, 24 August 2018 and 01 October 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 by 01 October 2018.   |
| 06 June 2018      | - | A new capital adequacy framework for LFCs and SLCs was implemented with a view to foster a strong emphasis on risk management and to encourage ongoing improvements in LFCs/SLCs's 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.   |
| Forthcoming       | - | Issuing Directions on provisioning for bad and doubtful debts, ownership limits, borrowings and liquidity management   |
|                   | - | Issuing Guidelines on implementation of Sri Lanka Financial Reporting Standards 9 (SLFRS 9)  |
|                   | - | Issuing a Regulation on "Priority of Claims in a Winding Up of a Finance Company"  |

### Insurance

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| 09 January 2018  | - | A Direction was issued on refraining from employment persons whose services had been terminated on grounds of financial misappropriation or fraud.            |
| 16 February 2018 | - | The procedures on management of insurance funds were issued by the Insurance Regulatory Commission of Sri Lanka (IRCSL) to all long term insurance companies. |

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- 20 March 2018 - A Direction was issued by the IRCSL on the methodology for the identification and treatment of One-off Surplus arising from changes made to the method of liability valuation to all long term insurance companies, in terms of Section 96 A of the Regulation of Insurance Industry Act, No. 43 of 2000.
  - 01 May 2018 - The registration fee of insurance brokers was increased.
  - 24 May 2018 - IRCSL issued Guidelines for insurers and brokers who obtain leads from LFCs and Licensed Banks.

### 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.

### Payments and Settlements

- 18 January 2018 - Guideline on Minimum Compliance Standards 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.
- 24 August 2018 - General Direction No. 02 of 2018 on the operations of the Common Point of Sales Switch was issued
- Forthcoming - Issuing a national Quick Response (QR) code specification to provide a low cost and secure digital payment mechanism to customers and merchants

### 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 “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 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 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.

## Foreign Exchange Management

- 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 importation of vehicles for Government Ministries Department, Statutory Boards and State Owned Enterprises was announced until further notice.
- The suspension of the importation of vehicles using concessionary permits issued to entitled state sector employees was announced for a period of six months.

## 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

## 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.
  - 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 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, agriculture 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 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.

### Value Added Tax (VAT)

- 02 July 2018 - Cost of healthcare services other than the hospital room charges were exempted from VAT.

### Nation Building Tax (NBT)

- 01 April 2018 - 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 made exempted.
- 30 July 2018 - NBT exemption on imports of liquor and the turnover from the business of manufacture of liquor was removed.
- In addition, following goods and services were exempted from NBT:
- 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 Ministry assigned the subject of Agriculture

### Excise Duty

- 01 January 2018 - Annual liquor license fee was revised.
- 21 February 2018 - Excise duty on non potable spirits imported to Sri Lanka was reduced to Rs. 6 per bulk kg from Rs. 15 per bulk kg.
- 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.

### 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 cc was revised to Rs. 1.5 million per unit or Rs. 1,750 per one cm<sup>3</sup> of the engine, whichever is higher, from Rs. 1,750 per one cm<sup>3</sup>
- Excise duty on hybrid, plugin hybrid and electrical motor vehicles of cylinder capacity not exceeding 1,000 cc was revised to Rs. 1.25 million per unit from Rs. 1,250 per one cm<sup>3</sup>
- 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

### 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 remains 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 custom 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 is 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 is 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 is 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 is Rs. 10.55 per litre.
- 16 May 2018 - 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 is 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 is 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
- 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
- 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 rate is Rs. 50 per kg.

### 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.

### 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
- 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
- SCL on the importation of the following food items was increased for a period of six months:
    - Potatoes from Rs. 30 per kg to Rs. 40 per kg
    - B'onion from Rs. 1 per kg to Rs. 40 per kg
- 08 May 2018
- 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
- SCL on the importation of red and yellow lentils was increased for a period of six months as follows:
    - 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
- 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
- SCL on the importation of vegetable oils was increased by Rs. 20 per kg for a period of six months.
- 14 June 2018
- 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
- 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
- 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
- SCL of Rs. 10 per kg was imposed on the importation of maize for a period of 06 months.
- 16 August 2018
- SCL on the importation of sugar was extended for a period of six months.
- 25 August 2018
- SCL on the importation of vegetable oils was increased by Rs. 20 per kg for a period of six months.

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- 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 suger 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 and 2 per cent of NBT.

### 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.

### 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 via 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.

### 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.

### 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.
- Forthcoming - Amendments to the Finance Act

