

APPENDIX 1

Major Economic Policy Measures¹

Monetary Policy

- 30 January 2020 - Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) were reduced by 50 basis points to 6.50 per cent and 7.50 per cent, respectively.
- 17 March 2020 - SDFR and SLFR were reduced by 25 basis points to 6.25 per cent and 7.25 per cent, respectively.
 - Statutory Reserve Ratio (SRR) applicable on all rupee deposit liabilities of Licensed Commercial Banks (LCBs) was reduced by 1.00 percentage point to 4.00 per cent from 5.00 per cent with effect from the reserve maintenance period commencing on 16 March 2020.
- 03 April 2020 - SDFR and SLFR were reduced by 25 basis points to 6.00 per cent and 7.00 per cent, respectively, with effect from the close of business on 03 April 2020.
- 16 April 2020 - Bank Rate was reduced by 500 basis points to 10.00 per cent and allowed to automatically adjust in line with SLFR, with a margin of +300 basis points.
- 06 May 2020 - SDFR and SLFR were reduced by 50 basis points to 5.50 per cent and 6.50 per cent, respectively, with effect from the close of business on 06 May 2020. Bank Rate was automatically reduced to 9.50 per cent from 10.00 per cent.
- 16 June 2020 - SRR applicable on all rupee deposit liabilities of LCBs was reduced by 2.00 percentage points to 2.00 per cent while till cash contribution to SRR was reduced to 1.00 per cent from 2.0 per cent (only 1 per cent over and above the 2 per cent of the currency notes and coins shall be considered as a part of its reserves) with effect from the reserve maintenance period commencing on 16 June 2020.
- 09 July 2020 - SDFR and SLFR were reduced by 100 basis points to 4.50 per cent and 5.50 per cent, respectively, with effect from the close of business on 09 July 2020. Bank Rate was automatically reduced to 8.50 per cent from 9.50 per cent.

Special Credit Schemes

- 27 January 2020 - Operating Instructions of Self-Employment Promotion Initiative Loan Scheme (SEPI-Phase II) were amended to increase the total allocated amount from Rs. 390 million to Rs. 950 million and to increase the maximum loan amount from Rs. 500,000 to Rs. 1,000,000, per borrower.
- 25 February 2020 - A Credit Guarantee Scheme was implemented to invigorate affected business activities in Small and Medium Sector Enterprises. This facility was introduced on behalf of the Government of Sri Lanka to provide a credit guarantee cover for banks up to 75 per cent of the new working capital loans, to be granted during 2020 for their existing borrowers who are currently in the Non-Performing Loan category.

¹ Include major economic policy measures implemented up to 07 October of 2020, as well as those which are planned to be implemented in the near future. Policy measures announced by the Government and implemented during the period from 01 December 2019 to 01 April 2020 (published as notices to the public on the website of the Inland Revenue Department) are subject to the approval of the Parliament.

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- 27 March 2020 - Introduced a concessional loan scheme, the Saubagya COVID-19 Renaissance Facility (Phase I-Refinance Scheme), up to a cumulative value of Rs. 50 billion at an interest rate of 4.00 per cent to support COVID-19 hit businesses.
- 01 April 2020 - Operating Instructions were issued and actions were taken to implement the Saubagya COVID-19 Renaissance Facility (Phase I) loan scheme under Section 88 of the Monetary Law Act (MLA), No. 58 of 1949 to assist Micro, Small and Medium scale enterprises including self-employed businesses and individuals that were affected by the COVID-19 outbreak.
- 09 April 2020 - Operating Instructions of the New Comprehensive Rural Credit Scheme (NCRCS) were amended to reduce the current interest rate to the end borrower from 7.00 per cent p.a. to 4.00 per cent p.a. to support the small-scale farmers engaged in cultivation of 33 short term crops under the NCRCS and to include “Saubagya” Home Garden Promotion Programme to finance under the NCRCS, considering the prevailing COVID-19 outbreak.
- 16 June 2020 - Amendments to the Operating Instructions were issued under “SWASHAKTHI-Towards One Million Jobs” to increase the maximum loan amount to Rs. 500,000 (including a Rs. 50,000 grant) for new young entrepreneurs aged between 18-40.
- Extended the concessional loan scheme introduced on 27 March 2020 up to Rs. 150 billion at an interest rate of 4.00 per cent to support COVID-19 hit businesses (the Saubagya COVID-19 Renaissance Facility-Phase II).
- 18 June 2020 - A special Liquidity Facility to LCBs was introduced upon receipt of a promissory note by LCBs backed by Treasury bills and bonds to be on lent to the construction sector in lieu of overdue payments of the government at a concessionary rate not exceeding 4.00 per cent per annum.
- 19 June 2020 - An Addendum to the Operating Instructions was issued under the Saubagya COVID-19 Renaissance Facility to provide working capital loans to businesses that were affected by the COVID-19 pandemic. This facility was implemented under Section 83 of the MLA, and named as “Saubagya COVID-19 Renaissance Facility (Phase II)”.
- 30 June 2020 - A Credit Guarantee and Interest Subsidy Scheme was introduced to further facilitate the businesses affected by the COVID-19 pandemic, named as the ‘Saubagya COVID-19 Renaissance Facility (Phase III) under Section 108 of the MLA to operate in parallel with the other two phases.
- 01 July 2020 - Operating Instructions of “Saubagya” Loan Scheme were amended to reduce the current interest rate to end borrower from 8.00 per cent p.a. to 6.00 per cent p.a. for the provision of credit to the agriculture, livestock and Micro, Small and Medium Scale Enterprises (MSMEs) and disaster affected MSMEs.
- 24 July 2020 - Liquidity Facility to the Construction Sector was expanded to cover the contractors and suppliers of the Government in the Construction, Pharmaceutical Sectors and such other identified sectors upon a Letter of Acceptance of Payments of Outstanding Bills due to such contractors and suppliers of the Government.
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Financial Sector

Licensed Banks

- 30 January 2020 - A Circular was issued to licensed banks providing guidelines for the implementation of a special credit support scheme to provide credit support to eligible Small and Medium Enterprise (SME) borrowers.
- 01 March 2020 - A Circular was issued to Licensed Commercial Banks (LCBs) informing to extend the maximum period for the settlement of export credit facilities out of export proceeds up to 180 days from the date of shipment.
- 19 March 2020 - Banking Act Directions were issued to LCBs and the National Savings Bank (NSB) informing to suspend facilitation of the importation of selected motor vehicles under LCs and the importation of selected non-essential goods under LCs, documents against acceptance and advance payments. Further, purchasing of International Sovereign Bonds by LCBs and NSB was suspended.
- 24 March 2020 - A Circular was issued to LCBs and Licensed Specialised Banks (LSBs) informing them of the relief measures to be provided to businesses and individuals who were adversely affected by the COVID-19 outbreak in line with the Direction issued by His Excellency the President and the decision taken by the Cabinet of Ministers.
- 27 March 2020 - A Circular was issued to LCBs and LSBs informing them of the eligibility to participate in a refinancing facility to support the businesses affected by the COVID-19 outbreak, including self-employed businesses and individuals, commencing 25 March 2020. This Circular was issued to supplement the Circular No. 04 of 2020, dated 24 March 2020, and set out the operational guidelines to give effect to the refinancing facility.
 - After assessing the safety and soundness of the banking sector, the CBSL decided to introduce extraordinary regulatory measures to be implemented by licensed banks to support businesses and individuals affected by the outbreak of COVID-19. Accordingly, the extraordinary regulatory measures were informed *inter alia* permitting Domestic Systemically Important Banks (D-SIBs) and non D-SIBs to draw down their Capital Conservation Buffers, allowing classification of non-performing loans and recovery of foreign currency loans and deferring the enhancement of capital by licensed banks which are yet to meet the minimum capital requirements of end 2020 until end 2022.
- 17 April 2020 - The minimum daily deposit required to be held by a LCB in the Central Bank was reduced to 20 per cent from 90 per cent with effect from the reserve maintenance period commencing on 16 April 2020.
- 27 April 2020 - A Monetary Law Act Order was issued informing the maximum rate of interest chargeable by licensed banks on pawning advances collateralised by personal gold jewellery, considering the necessity to provide relief for low income earners who obtain pawning advances to finance their short term funding requirements amidst the COVID-19 pandemic.

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- 05 May 2020
- Extraordinary regulatory measures were implemented to provide liquidity to licensed banks with a view to negating any potential impact on banks liquidity positions due to the COVID-19 pandemic. Accordingly, Banking Act Directions were issued to licensed banks permitting certain assets to be considered as liquid assets, subject to conditions, for the purpose of computation of Statutory Liquid Assets Ratio (SLAR) and reduced the minimum requirement for Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) subject to enhanced supervision and frequent reporting up to 30 June 2021. Further, licensed banks were also allowed to avail liquidity in rupees, if required, under the framework of emergency loans and advances to licensed banks based on acceptable collateral and liquidity forecasts.
- 13 May 2020
- Banking Act Directions were issued restricting discretionary payments of licensed banks such as cash dividends, profit repatriation, share buy-back and increasing management allowances and payments to the Board of Directors to ensure maintaining appropriate levels of liquidity and prudent management of cash flows by licensed banks. Further, banks were informed to exercise prudence and extreme due diligence when incurring capital expenditure and refrain to the extent possible from incurring non essential expenditure.
- 15 May 2020
- Banking Act Directions were issued on loan to value ratios for credit facilities granted in respect of motor vehicles replacing the previous Banking Act Directions issued on the same.
- 19 June 2020
- Banking Act Directions were issued to LCBs and NSB suspending the purchase of Sri Lanka International Sovereign Bonds (ISBs) for a period of three months unless such purchase of ISBs is funded by using new foreign currency inflows.
- 16 July 2020
- Banking Act Directions were issued permitting banks to consider new credit facilities granted under the liquidity facility scheme to construction sector against Letters of Acceptance of Payments of Outstanding Bills to Contractors issued by the Government to settle dues to contractors by 31.12.2020, as liquid assets for the purpose of computation of SLAR until 31.12.2020, subject to a haircut of 10 per cent. Such facilities granted for new economic activities were permitted to be considered as performing loans without considering the current classification status of other existing facilities of the borrower. These Letter of Acceptance of Payment of Outstanding Bills and the credit guarantee provided under Phase III of the Saubagya COVID-19 Renaissance Facility to be considered as acceptable credit risk mitigants for credit facilities granted against the same and to be risk weighted at zero per cent.
 - A Circular was issued to licensed banks, licensed finance companies and specialised leasing companies requiring financial institutions to extend the existing moratorium period in respect of capital outstanding of leasing facilities granted to tourism related vehicles. Financial institutions may recover interest during the moratorium period in a manner that is not inconvenient to such borrowers and the accrued penal interest in respect of such leasing facilities to be waived off. Further, licensed banks were informed of the maximum additional interest rate chargeable during the moratorium period and the manner in which such additional interest to be recovered in relation to leasing facilities granted for buses providing public transport services and the Equal Monthly Instalment (EMI) loans.
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- An amendment was issued for licensed banks, with respect to the Banking Act Directions on Capital Requirements under Basel III, to increase the annual turnover threshold for SMEs to Rs. 1 billion.
- 21 August 2020 - A Monetary Law Act Order was issued informing the maximum interest rates applicable on LKR denominated loans and advances granted by licensed banks, replacing the previous Monetary Law Act Orders issued in this regard. Accordingly, maximum interest rates applicable for credit cards, pre-arranged temporary overdrafts, pawning advances, penal interest rates on all loans and advances and enhanced rates on accommodations for exporters were reduced in line with the reduced market interest rates.
- 26 August 2020 - A Circular was issued to licensed banks extending the moratorium scheme granted to COVID-19 affected businesses and individuals engaged in the tourism sector.
- 08 September 2020 - Banking Act Directions were issued increasing the limit on acquiring a material interest of issued capital carrying voting rights of licensed banks. Accordingly, Multilateral Financial Organisations were permitted to acquire a material interest not exceeding 20 per cent of licensed banks subject to the condition that such material interest acquired shall reduce to 15 per cent within 10 years from the date of stipulation.
- 30 September 2020 - Banking Act Directions were issued amending the general terms and conditions applicable for financial derivative transactions of licensed banks to facilitate the implementation of Inward Investment Swaps.

Licensed Finance Companies (LFCs), Specialised Leasing Companies (SLCs), Licensed Microfinance Companies (LMFCs) and Primary Dealers

- 14 February 2020 - A Direction was issued on Classification and Measurement of Credit Facilities, setting out the minimum requirements to LFCs with the adoption of Sri Lanka Accounting Standards, SLFRS 9: Financial Instruments and Prudential Requirement of the Central Bank.
- 17 February 2020 - A Direction was issued on Classification and Measurement of Credit Facilities, setting out the minimum requirements to SLCs with the adoption of Sri Lanka Accounting Standards, SLFRS 9: Financial Instruments and Prudential Requirement of the Central Bank.
- 10 March 2020 - A Circular was issued to LFCs and SLCs providing guidelines for the implementation of a special credit support scheme to provide credit support to eligible SME borrowers.
- 24 March 2020 - A Circular was issued to LFCs and SLCs providing relief measures for businesses and individuals affected by the COVID-19 outbreak.
- 27 March 2020 - A Circular was issued to LFCs and SLCs to supplement the Circular dated 24 March 2020 and set out the operational guidelines to give effect to Rs. 50 billion, six month refinancing facility to support the businesses including self-employed businesses and individuals affected by the COVID-19 outbreak.

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- 31 March 2020 - Considering the current market conditions, an amendment was issued with respect to the existing Direction on liquid assets to be maintained by LFCs that shall be effective for a period of six months from the date of this Direction.
- 24 April 2020 - The existing Loan to Value (LTV) Direction issued to LFCs and SLCs was revised allowing higher LTV ratios for locally assembled motor cars, SUVs and vans.
- The Direction on maximum interest rates on deposits and debt instruments of LFCs and SLCs was revised with marginally reduced rates.
- 18 June 2020 - An amendment to the Corporate Governance Direction of LFCs was issued permitting a director of an LFC who is already holding office and reaches the age of 70 years to continue in office as a director with the prior approval of the Monetary Board.
- 26 June 2020 - An amendment to the Corporate Governance Direction of SLCs was issued permitting a director of an SLC who is already holding office and reaches the age of 70 years to continue in office as a director with the prior approval of the Monetary Board.
- 16 July 2020 - A Direction on Business Expansion and Operations was issued to LFCs revisiting the approval process, setting out minimum criteria on planning to open new business places, vesting responsibilities on Boards of Directors and key management personnel, setting out minimum risk management standards and the requirement to standardise the existing other outlets.
- A Circular was issued to LFCs and SLCs extending the existing six months moratorium period granted in terms of Circular No. 05 of 2020 issued on 27 March 2020 for a further period of six months in respect of capital outstanding of leasing facilities granted to tourism related vehicles.
- 30 July 2020 - The definition of Liquid Assets of LFCs was amended under Section 74 of the Finance Business Act, No. 42 of 2011, to include Treasury Bonds issued by the Government of Sri Lanka maturing in more than 12 months, free from any lien or charge and Sri Lanka Development Bonds and International Sovereign Bonds issued by the Government of Sri Lanka free from any lien or charge.
- 20 August 2020 - A Direction on Business Expansion and Operations was issued to SLCs revisiting the approval process, setting out minimum criteria in planning to open new business places, vesting responsibilities on Board of Directors and key management personnel, setting out minimum risk management standards and the requirement to standardise the existing other outlets.
- 28 September 2020 - LFCs were requested to follow a new format for publication of financial information and key performance indicators in their official website and in newspapers in all three languages. Further, LFCs are also required to publish the independent auditor's report along with the audited financial statements and credit rating reports in the official website in all three languages.
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- 30 September 2020 - A Circular was issued to LFCs and SLCs on Extending Debt Moratorium for COVID-19 affected businesses and individuals in the tourism industry for a further period of six months from 01 October 2020 to 31 March 2021. The Circular dated 16 July 2020 was revoked with the introduction of this Circular.
- An amendment to the Direction was issued extending the effective date of the Direction on Liquid Assets issued on 31 March 2020, for another period of six months until 31 March 2021, considering the challenging operating environment due to the prolonged impact of the COVID-19 pandemic.
- Forthcoming - Introducing amendments to Finance Business Act, No. 42 of 2011, to strengthen the resolution of LFCs
- Reviewing and streamlining the existing regulatory framework of NBFIs, including Primary Dealers (PDs) with a holistic view, issuing new directions and revising existing directions in line with current market developments. A direction on ownership limits to LFCs will be issued, and the direction on corporate governance for LFCs and PDs, the direction on financial reporting for PDs and minimum capital requirements for PDs will be revised
- Implementing the master plan to establish resilient and well performing LFCs in the medium term
- Finalising the Microfinance and Credit Regulatory Authority Act with the assistance of Legal Draftsman and Attorney General's Department and develop a regulatory framework in line with the Act
- Issuing a consultation paper on Prompt Corrective Action plan to deal with high risk and distressed companies including standardised resolution plan, cancellation of licences and winding up of LFCs

Insurance

- 19 February 2020 - The Consumer Education Strategy (CES) under Technical Assistance of the Capital Market Development Programme (CMDP) of the Asian Development Bank (ADB) was implemented.
- 25 February 2020 - Circular No. 42 was issued on 'Loss Adjuster Registration Rules', published in Extraordinary Gazette No. 2026/27 dated 05 July 2017, requiring all insurers to refrain from obtaining loss adjusting services from unlicensed loss adjuster.
- 11 April 2020 - Monitor the suspension on payment of the first and final dividend to shareholders for the year ended 31 December 2019 as a relief to policyholders and as support needed from the Insurance Regulatory Commission of Sri Lanka (IRCSL) due to the COVID-19 pandemic.
- Other relief measures related to the COVID-19 pandemic:
- For policies underwritten from 01 March 2020 to 30 June 2020, permit Long Term and General Insurance Companies to consider the premium receivables

outstanding for 90 days for solvency purposes, subject to specific confirmation given by the principal officer of the company.

- Closely monitor 'Monthly Certification/ Reporting of Risk Based Capital Adequacy Requirements (e.g. Capital Adequacy Ratio (CAR), Total Available Capital (TAC) and Risk Capital Requirement (RCR) and Determination 01 Compliance for Long Term and General Insurance Businesses' from the month ended 31 March 2020 provided by the principal officer.
- Oversee whether Long Term and General insurance companies use the Risk Free Interest Rate (RFR) as per the Rules gazetted in 2015 to compute Solvency.
- Further, IRCSL will consider negative impacts to the solvency and Determination-01 due to the COVID-19 pandemic and on extended credit granted on payment of premium, on a case by case basis.

03 June 2020	-	Direction No. 19 on 'Compliance with minimum net capital requirement' was amended to address enforcement action that would be taken by the IRCSL when brokering companies take extensive periods of time to meet net capital requirement.
08 June 2020	-	Direction No. 17 on Corporate Governance Framework for insurance companies was amended considering the views obtained from the Insurance Association of Sri Lanka (IASL) and a few insurers.
02 July 2020	-	A Circular was issued mandating all insurers to issue policies in Sinhala, Tamil and English to ensure comprehension of policy terms and conditions by policyholders.
Forthcoming	-	Financial Sector Modernisation Project (FSMP) - Project activities to be carried out as assignments are received in respect of the same
	-	With technical assistance of the World Bank, carry out the legal and regulatory reforms, as assignments are received in respect of same
	-	Implementation of assigned activities relating to the National Financial Inclusion Strategy (NFIS)
	-	Issuing a direction on the procedure to be followed by all insurers/ brokers conducting inquiries relating to agents

Capital Market

31 March 2020	-	With a view to granting relief to investors affected by the market downturn caused by the COVID-19 pandemic, all registered Margin Providers/Licensed Stockbrokers were directed to pass on the benefit derived from the decisions announced by the Central Bank to their clients and were directed to refrain from charging and recovering interest on credit extended to their clients until 30 June 2020. Further, all registered Margin Providers/Licensed Stockbrokers were required to act in the best interest and in a manner equitable to all clients in carrying out functions.
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- 30 April 2020
- The timeframe for submission of reports by licensed/registered entities was extended due to the COVID-19 pandemic as follows:
 - The due date for the submission of the Unaudited Financial Statements, the Compliance Officers' Reports and the Unit Trust Returns for the months of March, April and May 2020 was extended by a period of three weeks from the stipulated time frame.
 - The due date for submission of Audited Financial Statements was extended by a period of two months from the stipulated time frame for financial years ending 31 December 2019 and 31 March 2020, respectively.
 - The submission of Annual and Interim Reports for Unit Trust Funds was extended by a period of two months from the stipulated time frame.
 - The licensed/registered entities were advised to diligently monitor their risk profile and resources during the pandemic period to ensure safety and soundness of the industry.
 - Notwithstanding the above extensions of the timeframe, the entities were requested to promptly report to the Securities and Exchange Commission (SEC) regarding any exceptional matters which adversely affect or is likely to adversely affect the ability of such entities to meet their obligations in respect of their licensed or registered business or any matter, which may indicate that the financial standing or financial integrity of such entity or its Chief Executive Officer (CEO) or directors or the key management personnel is in question or may reasonably be affected.
 - A deferment of the SEC's annual licensing/registration fees for the year 2020 was granted on the core regulated activity of all licensed/registered entities by a period one year upon a request being made.
 - The condition to fulfill the mandatory Continuous Professional Development (CPD) requirement to transfer all Investment Advisors from the previous Qualification Framework (QF) to the new QF was extended by six months (until 30 June 2021).
 - All Investment Advisors, who are required to obtain a minimum of two CPD seminar credits for the renewal of license of their respective Stockbroker/Dealer company, where such date of renewal falls within March to September 2020, were granted an extension of six months from the date of the due date for renewal in order to meet the aforesaid CPD requirement.
- 28 May 2020
- Amendments were introduced to the Colombo Stock Exchange (CSE) Rules to facilitate the conducting of all core activities digitally.
- 11 June 2020
- The Empower Board-Listing rule revision was implemented. The segment of rules that required immediate attention has been completed. As part of the continuous improvement process, the others are under review to ascertain whether urgent changes are required, particularly, to minimise regulatory burden to the listed entities impacted by the COVID-19 pandemic.

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- A regulatory paper was submitted on multi-currency debt listing by local entities.
 - 15 July 2020 - Real Estate Investment Trusts (SL-REITs) were introduced.
 - Forthcoming - Proposing a policy for listing of debt securities issued by SMEs on the Empower Board
 - Improving listing rules of CSE relating to dealings by directors/CEOs
 - Developing guidelines for valuation of shares of listed entities in relation to regulatory requirements such as Takeovers and Mergers, Listing and Delisting of listed entities etc.
 - Proposing listing rules on Corporate Governance
 - Introducing listing rules to incorporate the existing auditor selection criteria to listed companies
 - Implementation of a policy for a Delivery vs. Payment (DVP) mechanism in consultation with the CSE

Payments and Settlements

- 20 January 2020 - General Direction No. 1 of 2020 on fees chargeable on the transactions effected through the Common ATM Switch was issued replacing General Direction No. 1 of 2014 to include maximum fees that can be charged for ATM transactions carried out using payment cards issued under the National Card Scheme.
- 14 May 2020 - Payment and Settlement Systems Circular No. 13 of 2020 was issued to mandate licensed commercial banks incorporated in Sri Lanka and operators of mobile phone based e-money systems joining LANKAQR as issuers and acquirers in order to promote LANKAQR for retail payments.
- 01 June 2020 - Guideline No. 01/2020 on minimum compliance standard for payment related mobile applications was issued replacing the Guideline No. 01/2018 in order to update the Guidelines to cover new developments in payment related mobile applications.
- 08 June 2020 - Payment and Settlement Systems Circular No. 16 of 2020 on maximum limits on transaction value and fees of Common Electronic Fund Transfer Switch (CEFTS) was issued to include procedure for determining maximum per transaction value limits for CEFTS transactions carried out through LankaPay Online Payment Platform.
- 17 September 2020 - Payment and Settlement Systems Circular No. 18 of 2020 was issued to revise the transaction fees of LankaSettle System and to extend the cut-off time for accepting customer transactions.

Anti-Money Laundering and Countering the Financing of Terrorism²

- 05 February 2020 - Guideline No. 1 of 2020 was issued on scenario based LankaFIN reporting for LFCs, insurance companies and stock broker companies.
- 10 June 2020 - Guideline No. 2 of 2020 was issued on Anti-Money Laundering and Countering the Financing of Terrorism Compliance Obligations for Accountants and Trusts or Company Service Providers.
- 15 June 2020 - Circular No. 03 of 2020 was issued to Financial Institutions advising to be vigilant to emerging Money Laundering/Terrorist Financing risks.
- 22 October 2020 - Guideline No. 3 of 2020 was issued on Non-Face-to-Face Customer Identification and Verification Using Electronic Interface Provided by the Department for Registration of Persons

Foreign Exchange Management

- 19 March 2020 - Direction No. 01 of 2020 was issued to Authorised Dealers (ADs) informing them to limit the release of foreign currency notes up to USD 5,000 or its equivalent in other foreign currency (from the previously permitted foreign currency travel allowance of USD 10,000) to persons resident in Sri Lanka travelling abroad for any purpose including for leisure, business, training, medical treatment etc.
- 20 March 2020 - Direction No. 02 of 2020 was issued to ADs requesting them to suspend the release of foreign exchange, for a period of three months with immediate effect, for the importation of certain non essential consumer goods under Documents Against Payments and Open Account Payment terms in line with the Banking Act Directions issued on curtailing certain imports and foreign currency investments.
 - Sell-Buy Forex SWAP Auctions were introduced to fulfill the FX liquidity requirement in the domestic foreign exchange market to manage the excessive volatility in the exchange rate.
- 02 April 2020 - Extraordinary Gazette Notification No. 2169/3 was issued to impose certain measures on outward remittances on Capital Transactions for a period of three months with a view to minimising the pressure on the exchange rate and possible negative impact of the economy.
 - Suspending the general permission granted to make outward remittances for investments overseas through the Outward Investment Accounts by persons resident in Sri Lanka excluding the following:
 - (a) investment to be financed out of a foreign currency loan obtained by the investor from a person resident outside Sri Lanka under the provisions of Foreign Exchange Act, or

2. This excludes the circulars issued by the Financial Intelligence Unit (FIU) of the Central Bank on 31 March 2020 and 28 April 2020 to all Reporting Institutions extending the deadline for submission of threshold reports in view of the lockdown due to the COVID-19 pandemic.

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- (b) investment to be made to fulfill the regulatory requirement in that country.
- Suspending the outward remittances through Business Foreign Currency Accounts (BFCAs) or Personal Foreign Currency Accounts (PFCAs) held by persons in, or resident in, Sri Lanka, other than for the remittances on current transactions.
 - Suspending the repatriation of funds under the migration allowance through Capital Transactions Rupee Accounts (CTRAs) by the emigrants who have already claimed migration allowance.
 - Limiting the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time up to a maximum of USD 30,000.
 - Limiting the authority of the Monetary Board of the Central Bank of Sri Lanka to grant special permission for investment on a case by case basis, which exceeds the limits specified in the general permission, only to those satisfying the criteria mentioned in (a) and (b) above.
- 03 April 2020 - Directions No. 03 of 2020 were issued to ADs informing them to recover any foreign currency loans granted to holders of BFCAs in Sri Lanka Rupees, when recovery of such loans in foreign currency is remote, as a last resort by converting such loans to Sri Lanka Rupee denominated loans, where necessary.
- 08 April 2020 - Extraordinary Gazette Notification No. 2170/4 was issued to introduce a Special Deposit Account (SDA) for any Sri Lankan individual resident in or outside Sri Lanka including Dual Citizens, Citizens of other States with Sri Lankan origin and any person resident outside Sri Lanka including funds, corporate bodies, associations and other well-wishers.
- 09 April 2020 - Directions No. 04 of 2020 were issued to ADs specifying the criteria of opening and maintaining SDAs and permitted debits and credits.
- 16 April 2020 - Directions No. 05 of 2020 were issued to ADs informing, loans granted to Sri Lankans employed abroad to be recovered in Sri Lanka Rupees, as a last resort, where necessary, when recovery of such loans in foreign currency is remote.
- 01 July 2020 - Extraordinary Gazette Notification No. 2182/33 was issued to increase the amount of foreign currency that can be retained by a person in, or resident in Sri Lanka in his possession up to USD 15,000 from the previously permitted amount of USD 10,000.
- Extraordinary Gazette Notification No. 2182/32 was issued to expand the sources of funding of SDAs, while permitting SDA holders to obtain loans from ADs against SDAs.
- 02 July 2020 - Extraordinary Gazette Notification No. 2182/37 was issued, with the expiration of Extraordinary Gazette Notification No. 2169/3, to impose new measures on outward remittances on Capital Transactions for a period of six months.
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- Suspending the general permission granted to make outward remittances for investments overseas through the Outward Investment Accounts by persons resident in Sri Lanka excluding the following:
 - (a) investments to be financed out of foreign currency loans obtained by the investor from a person resident outside Sri Lanka under the provisions of the Foreign Exchange Act, No. 12 of 2017,
 - (b) an additional investment to be made to fulfill the regulatory requirement in the investee's country applicable on the investment already made in a company or a branch office in that country,
 - (c) an additional investment/infusion of funds to be made by eligible resident companies in already established subsidiaries or branch offices in overseas up to a maximum of USD 20,000, for the purpose of working capital requirements of the investee,
 - (d) the remittances up to a maximum of USD 20,000, for the purpose of maintenance of liaison, marketing, agency, project, representative or any other similar offices already established overseas.
 - Suspending the outward remittances through BFCAs or PFCAs held by persons resident in Sri Lanka, other than for the remittances on current transactions up to any amount or capital transactions up to a maximum of USD 20,000.
 - Limiting the eligible migration allowance for the emigrants who are claiming the migration allowance for the first time, up to a maximum of USD 30,000.
 - Limiting the repatriation of funds under the migration allowance by the emigrants who have already claimed migration allowance up to a maximum of USD 20,000.
 - Limiting the authority of the Monetary Board of the Central Bank of Sri Lanka to grant special permission for investment on a case by case basis, which exceeds the limits specified in the general permission, only to those satisfying the criteria mentioned in (a) and (b) above.
- 06 July 2020 - Directions No. 06 of 2020 were issued to ADs specifying the further criteria of opening and maintaining SDAs and permitted debits, credits and other requirements.
- 23 September 2020 - Operating Instructions issued to LCBs on the new USD/LKR Buy-Sell currency SWAPs for tenors beyond one year and up to two years period under the Scheme named "Inward Investments SWAPs" to hedge the foreign exchange risk pertaining to foreign currency inflows that are channeled through the Inward Investments Accounts of non-residents. This is to encourage the fresh foreign inflows to the country.
- 06 October 2020 - Extraordinary Gazette Notification No. 2196/22 was issued permitting renewal and continuation of SDAs, beyond the designated date of maturity with the interest rates offered by the ADs for normal term deposits and to freely convertible and repatriable outside Sri Lanka on the maturity of the term deposit.

- 07 October 2020
- Directions No. 07 of 2020 were issued to ADs informing them to facilitate maturity proceeds including the interest of SDAs as a permitted credit to PFCA, provided that such SDA holder is eligible to open and maintain a PFCA.
 - Directions No. 08 of 2020 were issued to ADs informing them to facilitate maturity proceeds including the interest of SDAs as a permitted credit to Inward Investment Account (IIA), provided that such SDA holder is eligible to open and maintain an IIA.
 - Directions No. 09 of 2020 were issued to ADs informing them to continue to maintain SDAs as normal term deposits in the name of SDAs beyond the designated date of maturity of such SDAs whilst to facilitate transfers of maturity proceeds including the interest of SDAs to IIAs or PFCAs, provided that such SDA holders are eligible to open and maintain such accounts.

Price Revisions

The Maximum Retail Prices (MRPs) of several items were revised as follows:

Date	Item	Revision
29.01.2020	Disposable Face Mask – Non woven (Earloop type or Tie on type)	Imposed a MRP of Rs. 15 per unit.
	Disposable Surgical Face Mask – Non woven (Earloop type or Tie on type)	Imposed a MRP of Rs. 15 per unit.
	Face Mask (N95 type – particulate respirator)	Imposed a MRP of Rs. 150 per unit.
23.02.2020	B'onions	MRP increased to Rs. 190 per kg from Rs. 78 per kg.
12.03.2020	Broiler Chicken Meat (whole chicken) with skin	Imposed a MRP of Rs. 430 per kg.
	Broiler Chicken Meat (whole chicken) without skin	Imposed a MRP of Rs. 500 per kg.
	Maize (used for any purpose)	Imposed a MRP of Rs. 55 per kg.
16.03.2020	The MRPs imposed on the following medical devices on 29.01.2020 were amended as follows:	
	Disposable Surgical Face Mask - Three ply layers – Non woven (Earloop or Tie on type)	Imposed a MRP of Rs. 50 per unit.
	Face Mask - N 95 type – (Surgical / Healthcare / Respiratory / Medical)	Imposed a MRP of Rs. 325 per unit.

Date	Item	Revision
18.03.2020	Mysore Dhal	MRP decreased to Rs. 65 per kg from Rs. 130 per kg.
	B'onions	MRP decreased to Rs. 150 per kg from Rs. 190 per kg.
	Canned Fish	MRP decreased to Rs. 100 per net weight of 425 g from Rs. 140 per net weight of 425 g.
20.03.2020	MRPs imposed on medical devices on 29.01.2020, as amended on 16.03.2020, were rescinded.	
10.04.2020	Keeri Samba	Imposed a MRP of Rs. 125 per kg.
	White / Red Samba - Steamed / Boiled (excluding Suduru Samba)	MRP decreased to Rs. 90 per kg from Rs. 98 per kg.
	White / Red Raw Samba	Imposed a MRP of Rs. 90 per kg.
	White / Red Nadu - Steamed / Boiled (excluding Mottaikarupan and Attakari)	MRP decreased to Rs. 90 per kg from Rs. 98 per kg.
	White / Red Raw Rice	Imposed a MRP of Rs. 85 per kg.
21.04.2020	Turmeric Powder	Imposed a MRP of Rs. 750 per kg.
28.04.2020	White Sugar (Unpacketed)	MRP of Rs. 100 per kg was removed.
	White Sugar (Packeted)	MRP of Rs. 105 per kg was removed.
30.04.2020	Mysore Dhal	MRP of Rs. 65 per kg was removed.
	Canned Fish	MRP of Rs. 100 per net weight of 425 g was removed.
28.05.2020	Keeri Samba	MRP decreased to Rs. 120 per kg from Rs. 125 per kg.
	White / Red Samba – Steamed / Boiled (excluding Suduru Samba)	MRP increased to Rs. 98 per kg from Rs. 90 per kg.
	White/Red Raw Samba	MRP increased to Rs. 98 per kg from Rs. 90 per kg.
	White / Red Nadu – Steamed / Boiled (excluding Mottaikarupan and Attakari)	MRP increased to Rs. 96 per kg from Rs. 90 per kg.
	White / Red Raw Rice	MRP increased to Rs. 93 per kg from Rs. 85 per kg.
29.07.2020	NS1 Antigen Test for Dengue	Imposed a MRP of Rs. 1,200 per test and report.
	Full Blood Count (FBC) Test	Imposed a MRP of Rs. 400 per test and report.
23.09.2020	Turmeric Powder	MRP of Rs. 750 per kg was removed.
25.09.2020	Coconut (Circumference over 13 inches)	Imposed a MRP of Rs. 70 per nut.
	Coconut (Circumference between 12 - 13 inches)	Imposed a MRP of Rs. 65 per nut.
	Coconut (Circumference below 12 inches)	Imposed a MRP of Rs. 60 per nut.

Tax Revisions

Income Taxes

Personal and Corporate Income Tax

01 January 2020 - Personal income tax rates, tax slabs and tax free thresholds were revised as follows:

Previous		Current	
Tax Free Threshold			
Rs. 1.2 million per annum for employment income and Rs. 500,000 per annum for personal income		Rs. 3 million per annum for any income	
Taxable Income			
Tax Slab	Tax Rate	Tax Slab	Tax Rate
First Rs. 600,000	4	First Rs. 3,000,000	6
Rs. 600,001 - Rs. 1,200,000	8	Rs. 3,000,001 - Rs. 6,000,000	12
Rs. 1,200,001 - Rs. 1,800,000	12	Exceeding Rs. 6,000,000	18
Rs. 1,800,001 - Rs. 2,400,000	16		
Rs. 2,400,001 - Rs. 3,000,000	20		
Exceeding Rs. 3,000,000	24		

- Corporate income tax rates were revised as follows with effect from 01 January 2020:
 - standard corporate income tax rate was reduced to 24 per cent from 28 per cent
 - corporate income tax rate applicable for the construction industry was reduced to 14 per cent from 28 per cent
 - corporate income tax rate applicable for the manufacturing industry was revised to 18 per cent

Pay As You Earn (PAYE) Tax

01 January 2020 - PAYE on any employment receipts to any resident or non-resident person was removed.

Advance Personal Income Tax (APIT)

01 April 2020 - APIT was introduced in lieu of PAYE tax on an optional basis. Employees whose income exceeds Rs. 3.0 million per annum are liable to pay APIT at the rates of 6 per cent and 12 per cent subject to the tax slabs of Rs. 3.0 million for each slab, and thereafter 18 per cent when the income exceeds Rs. 9 million. APIT is deducted from the remuneration of resident employees³ with the consent of such

3. In terms of the provision of the Inland Revenue Act, No. 24 of 2017.

employees and if any resident employee who dissents to paying APIT, is liable to pay personal income tax based on the applicable tax slabs and rates. With regard to non-resident employees, APIT is deducted from the remuneration by the relevant employer irrespective of the consent of such employees.

Withholding Tax (WHT)

- 01 January 2020 - WHT on any payments made to any resident person was removed except the following:
- WHT at the rate of 14 per cent on the amounts paid as winning from lottery, reward, betting or gambling
 - WHT at the rate of 2.5 per cent on sale of any gem at an auction conducted by the National Gem and Jewellery Authority
 - WHT on payments made to any non-resident person under section 84 and 85 of the Inland Revenue Act, No. 24 of 2017
- 31 March 2020 - The deadlines of WHT payments for the months of February and March 2020, which were due on 15 March 2020 and 15 April 2020 respectively, were extended until 30 April 2020.

Economic Service Charge (ESC)

- 01 January 2020 - ESC was removed with effect from 01 January 2020.

Income Tax Exemptions

- 01 January 2020 - Profits and income earned from information technology and enabling services
- Profits and income earned from services rendered to persons outside Sri Lanka, including the income earned from foreign sources, if the payments for such services are received in foreign currency through a bank.
 - Interest income earned on Non Resident Foreign Currency (NRFC) and Resident Foreign Currency (RFC) accounts
 - Dividends paid by a resident company to any non resident
 - Dividends distributed by commercial hub operators
 - Amounts derived by any non resident person from laboratory services or standard certification services
 - Amounts received by any religious institution by way of grants and donations

Value Added Tax (VAT)

- 01 January 2020 - The threshold for registration of VAT was increased to Rs. 300 million per annum from Rs. 12 million per annum.

- Information technology and enabling services were exempted from VAT.
- 23 March 2020
- The deadlines for VAT payments for the months of February and March 2020, which were due on 20 March 2020 and 20 April 2020, respectively, were extended until 30 April 2020.

Excise Duty

- 30 April 2020
- Excise duty on ethyl alcohol was revised as follows:

Item	Locally supplied/ imported litres per month	Prevailed Tax w.e.f. 02.03.2016 (Rs. Per bulk litre)		Tax Revision w.e.f. 30.04.2020 (Rs. Per bulk litre)				
		Locally Supplied	Importation	Locally Supplied	Importation			
Ethyl alcohol used by government approved Research and Educational Institutions, Hospitals and Government Departments	Up to 10,000 litres	Free	Free	Free	Free			
	Up to 20,000 litres for the Medical Supply Unit of the Ministry of Health							
	From 10,001 litres up to 20,000 litres					600	700	700
	Above 20,000 litres					1,000	1,100	1,100
Ethyl alcohol used in the production of Medicinal and Industrial Products of which the final products are not subjected to excise duty	Up to 500 litres	Free	200	Free	200			
	From 501 litres up to 10,000 litres	600	700	100	700			
	From 10,001 litres up to 20,000 litres	700	800	150	800			
	Above 20,000 litres	1,100	1,200	200	1,200			
Ethyl alcohol used in the manufacturing of products for export or for the washing of machinery and used for manufacture of such products for export, of which the final products are not subjected to excise duty	Up to 500 litres	Free	Free	Free	Free			
	From 501 litres up to 10,000 litres	600	700	100	700			
	From 10,001 litres up to 20,000 litres	700	800	150	800			
	Above 20,000 litres	1,100	1,200	200	1,200			
Impure ethyl alcohol spirits (technical spirits/ weak spirits)	For each litre	400	1,100	75	1,100			
Ethyl alcohol used in manufacturing of alcohol	For each litre	10	10	10	10			

09 June 2020 - Excise duty on ethyl alcohol was revised as follows:

Item	Locally supplied/imported litres per month	Tax Revision (Rs. Per bulk litre)	
		Locally Supplied	Importation
Ethyl alcohol used in the production of medicinal and industrial Products of which the final products are not subjected to excise duty (other than ethyl alcohol used in the production of sanitizer)	Up to 500 litres	Free	200
	From 501 litres up to 10,000 litres	100	700
	From 10,001 litres up to 20,000 litres	150	800
	Above 20,000 litres	200	1,200
Ethyl alcohol used in the production of:			
Sanitizer for local sales for the period from 30.03.2020 to 15.08.2020	Up to 500 litres	Free	200
	From 501 litres up to 10,000 litres		700
	From 10,001 litres up to 20,000 litres		800
	Above 20,000 litres		1,200
Sanitizer for exports	For each litre	Free	25

Excise (Special Provisions) Duty

02 June 2020 - Excise duty on palm oil fatty acids and tallow fatty acids was increased to 24 per cent from 20 per cent.

Excise duty on selected sweetened beverages were revised as follows:

Item	Prevailed Tax w.e.f. 06.03.2019	Tax Revision w.e.f. 22.08.2020
Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured	Rs. 12 per litre or 40 cents per gram of sugar excluding 4g per 100 ml, contained in the product	Rs. 12 per litre or 30 cents per gram of sugar excluding 6g per 100 ml, contained in the product, whichever is higher
Beverages put up for retail sales as "Energy Drinks"	Rs. 12 per litre or 40 cents per gram of sugar excluding 4g per 100 ml, contained in the product	Rs. 12 per litre or 30 cents per gram of sugar excluding 6g per 100 ml, contained in the product, whichever is higher
Beverage based on fruit or vegetable juices - Sugar contents of which is more than 6g per 100 ml	Rs. 12 per litre or 40 cents per gram of sugar excluding 8g per 100 ml, contained in the product	Rs. 12 per litre or 30 cents per gram of sugar excluding 9g per 100 ml, contained in the product, whichever is higher
Other - Sugar contents of which is more than 6g per 100 ml	Rs. 12 per litre or 40 cents per gram of sugar excluding 8g per 100 ml, contained in the product, whichever is higher	Rs. 12 per litre or 30 cents per gram of sugar excluding 9g per 100 ml, contained in the product, whichever is higher

Customs Duty

Customs duty on the importation of Petrol and Diesel was revised as follows:

Item	Date	Customs Import Duty (Rs. per litre)	Customs Duty Waiver (Rs. per litre)	Applicable Duty (Rs. per litre)	Surcharge (% of Customs Duty (Rs. per litre))
Petrol (92 Octane)	11.09.2019	35.00	17.00	18.00	-
	14.03.2020	35.00	5.00	30.00	-
	23.04.2020	50.00	-	50.00	26.00 (a)
	30.06.2020	50.00	6.00	44.00	-
	17.09.2020	50.00	11.00	39.00	-
Petrol (95 Octane)	28.12.2018	35.00	-	35.00	-
	14.03.2020	35.00	-	35.00	15.00 (a)
	23.04.2020	50.00	-	50.00	49.00 (a)
	24.06.2020	50.00	-	50.00	20.00 (a)
	30.06.2020	50.00	6.00	44.00	
	24.08.2020	50.00	6.00	44.00	20.00 (b)
Auto Diesel	12.01.2019	5.85	3.00	2.85	-
	14.03.2020	5.85	-	5.85	11.00 (a)
	23.04.2020	25.00	-	25.00	24.00 (a)
	24.06.2020	25.00	-	25.00	12.00 (a)
	30.06.2020	25.00	7.00	18.00	
	24.08.2020	25.00	7.00	18.00	12.00 (b)
	17.09.2020	25.00	8.00	17.00	
Super Diesel	11.07.2019	15.00	-	15.00	-
	14.03.2020	15.00	-	15.00	20.00 (a)
	23.04.2020	25.00	-	25.00	40.00 (a)
	24.06.2020	25.00	-	25.00	30.00 (a)
	30.06.2020	25.00	5.00	20.00	
	24.08.2020	25.00	5.00	20.00	30.00 (b)

(a) Effective for a period of two months

(b) Effective for a period of three months

- 14 January 2020 - A duty waiver of Rs. 13 per kg was imposed on wheat flour, making the applicable duty Rs. 3 per kg.
- 10 April 2020 - Customs duty on the importation of lubricants (used for motor vehicles) was increased.
- 17 April 2020 - Customs duty on the importation of fish products, mandarins, cereal products, flour, vegetable and fruit products including juice products, tea and coffee extracts and tobacco products was increased in a range of 25-50 per cent.

- 19 June 2020 - Implemented duty revisions recommended by Inter Ministerial Task Force (Industrial and Entrepreneurship Development)
- Customs duty on springs and leaves was increased.
- 23 September 2020 - The general duty waiver of 15 per cent of the Customs import duty was granted on the importation of linear low density polyethylene by a silage manufacturing entity to supply silage to the local livestock farmers on the recommendation of the Department of Animal Production and Health and Secretary, State Ministry of Livestock, Farm Promotion and Dairy and Egg Related Industries.

Commodity Export Subsidy Scheme (CESS)

- 14 January 2020 - CESS of Rs. 15 per kg on wheat flour was removed.
- 20 May 2020 - CESS on the supply or donation of health protection equipment and similar products by any export oriented enterprises which have entered into an agreement with the Board of Investment (BOI) of Sri Lanka, to Ministry of Healthcare and Indigenous Medical Services, Department of Health Services, Tri Forces, Sri Lanka Police and COVID Centre (National Operation Centre for Prevention of COVID-19 outbreak) was exempted on their request.
- Machinery and equipment including medical, surgical and dental instruments, apparatus, accessories and parts thereof, hospital/medical furniture and drugs, chemicals and similar items, required for the provision of health services to address the COVID-19 pandemic in the country, imported or imported and supplied or imported and donated to the Secretary, Ministry of Healthcare and Indigenous Medical Services were exempted from CESS. This exemption should not be granted for any partial consignment/cargo of the above and is effective until 31 December 2020.

03 June/01 July 2020 - CESS on following items was revised as follows:

Item	Prevailed Tax (Per cent) w.e.f. 28.11.2017	Tax Revision (Rs. per kg) w.e.f. 03.06.2020	Tax Revision (Rs. per kg) w.e.f. 01.07.2020
Cement clinkers	-	1.00	-
Portland cement: White cement, whether or not artificially coloured	8.0	3.00	2.00
Water-proof cement, boiler cement and similar compositions	8.0	3.00	2.00
Other Portland cement imported in packings of 50 kg and below	14.0	5.00	3.00
Other Portland cement imported in packings of over 50 kg or in bulk	8.0	3.00	2.00

- 01 July 2020 - CESS was imposed on the importation of selected items while CESS on the importation of selected items was increased.

Special Commodity Levy (SCL) ⁴

SCL on the importation of several items was revised as follows:

Date	Item	Revision
25.01.2020	Potatoes	SCL of Rs. 25 per kg was extended for a period of 31 days
02.02.2020	B'onions, Chickpeas (whole and split), Red Lentils (whole and split), Yellow Lentils (whole and split), Dates (fresh and dried), Oranges (fresh), Apples (fresh), Maize, Vegetable Oils, Beet and Cane Sugar, White Crystalline Cane Sugar and White Crystalline Beet Sugar	SCL was extended for a period of six months
07.02.2020	Fish (fresh, chilled or frozen)	SCL was decreased for a period of three months
25.02.2020	Potatoes	SCL of Rs. 25 per kg was extended for a period of 31 days
04.03.2020	Fish (fresh, chilled or frozen)	SCL was increased to 10 per cent or Rs. 150 per kg, the amount of levy whichever is higher, for a period of six months from Rs. 25 per kg
08.03.2020	Mackerel, Black Gram, Cowpeas and Kurakkan	SCL was extended for a period of six months
13.03.2020	Fish (fresh, chilled or frozen) - to use as fish bait	Subject to confirmation of the import having shipped on or before 04 March 2020, by the Bill of Lading and recommendation of the Ministry of Fisheries and Aquatic Resources, the balance amount after collecting Rs. 25 per kg from the applied SCL of 10 per cent or Rs. 150 per kg was waived off.
18.03.2020	Fish (fresh, chilled or frozen)	Subject to confirmation of the import having shipped on or before 04 March 2020, by the Bill of Lading and recommendation of the Ministry of Fisheries and Aquatic Resources, the balance amount after collecting Rs. 25 per kg from the applied SCL of 10 per cent or Rs. 150 per kg was waived off.
19.03.2020	Disinfectants and Face Masks	SCL of Rs. 1 per kg was imposed.
27.03.2020	Potatoes	SCL of Rs. 25 per kg was extended for a period of three months
10.04.2020	Vegetable Oils	SCL was increased for a period of three months.
17.04.2020	Oranges (fresh and dried), Grapes (fresh and dried), Apples, Pears, Cherries and Plums and Sloes	SCL was increased for a period of two months.

⁴ Include SCL changes up to 14 October 2020.

Date	Item	Revision
17.04.2020	Clementines (fresh and dried), Grapefruit including pomelos (fresh and dried), Lemons (fresh and dried), Quinces, Apricots, Sour cherries (<i>Prunus cerasus</i>) and Peaches (including nectarines)	SCL was imposed for a period of two months.
	Coconut Oil	SCL was decreased to Rs. 195 per kg from Rs. 295 per kg for a period of three months.
01.05.2020	B'onions	SCL was increased to Rs. 15 per kg from Rs. 1 per kg for a period of three months.
08.05.2020	Sprats, Dried Fish, Green gram (Moong), Mangoosteens (fresh and dried) and Kiwifruit	SCL was extended for a period of three months.
22.05.2020	Yogurt, Potatoes, Red Onions, Garlic, Peas (split), Chickpeas (whole and split), Red Lentils (whole and split), Yellow Lentils (whole and split), Dates (fresh and dried), Oranges (fresh), Lemons (fresh and dried), Grapes (fresh), Apples (fresh), Quinces (fresh), Chillies (dried, neither crushed nor ground), Maize, Ground Nuts (shelled), Vegetable Oils except Coconut Oil, Margarine, Canned Fish, Beet and Cane Sugar, White Crystalline Cane Sugar and White Crystalline Beet Sugar	SCL was increased for a period of six months.
	Oranges (dried), Grapes (dried) and Coconut Oil	SCL was decreased for a period of six months.
	Jack and Horse Mackerel	SCL was decreased to Rs. 6 per kg from Rs. 150 per kg or 10 per cent, for a period of six months.
	Peas (whole), Chillies (crushed or ground), Seeds of Cumin, Seeds of Fennel and Face Mask	SCL was extended for a period of six months.
17.06.2020	Vegetable fats and oils and their fractions and Margarine (other)	Imposed a SCL of Rs. 600 per kg for a period of six months.
	Clementines (fresh and dried), Grapefruit, including pomelos (fresh and dried), Pears, Apricots, Sour cherries (<i>Prunus cerasus</i>), Cherries (other), Peaches (including nectarines), Plums and Sloes	SCL was extended for a period of six months.
27.06.2020	Vegetable oils (except coconut oil), Vegetable fats and oils and their fractions and Margarine (other)	SCL was decreased for a period of six months.
	Coconut oil	SCL was increased for a period of six months.
11.07.2020	Coconut oil	SCL was decreased for a period of six months.
19.07.2020	Maldive Fish, Grated or powdered cheese, Seeds of coriander, Turmeric (Neither crushed nor ground and other)	SCL was extended for a period of six months.
	Black gram flour	SCL was increased to Rs. 325 per kg from Rs. 200 per kg for a period of six months.

Date	Item	Revision
01.08.2020	Sprats, Dried Fish, Green gram (Moong), Mangoosteens (fresh and dried) and Kiwifruit	SCL was extended for a period of three months.
	B'onions	SCL was increased to Rs. 50 per kg from Rs. 15 per kg for a period of three months.
15.08.2020	Potatoes	SCL was increased to Rs. 55 per kg from Rs. 50 per kg for a period of four months.
22.08.2020	Jack and Horse Mackerel	SCL of Rs. 6 per kg was extended for a period of three months.
04.09.2020	Fish (fresh, chilled or frozen), Mackerel, Jack and Horse mackerel, Black Gram, Cowpeas, and seed and other Kurakkan	SCL was extended for a period of six months.
01.10.2020	Butter, Dairy Spreads, Mathe Seed, Kurakkan Flour, Mustard Seeds and Salt	SCL was extended for a period of one year.
14.10.2020	B'onions, Red Lentils (whole and split), Yellow Lentils (whole and split), Canned Fish, Beet and Cane Sugar, White Crystalline Cane Sugar and White Crystalline Beat Sugar	SCL was reduced to 25 cents per kg for a period of three months.

Ports and Airports Development Levy (PAL)

- 25 February 2020 - PAL on cement clinkers was reduced to 7.5 per cent from 10 per cent.
- 16 April 2020 - PAL on the importation of health instruments and appliances and hospital furniture consigned to the Secretary, Ministry of Healthcare and Indigenous Medical Services as a donation was exempted.
- 23 April 2020 - PAL on the importation of steel industry related raw materials was reduced to 5 per cent from 10 per cent.
- 19 May 2020 - PAL on the supply or donation of health protection equipment and similar products by any eligible export oriented enterprises was exempted.
- Machinery and equipment including medical, surgical and dental instruments, apparatus, accessories and parts thereof, hospital/medical furniture and drugs, chemicals and similar items, required for the provision of health services to address the COVID-19 pandemic in the country, imported or imported and supplied or imported and donated to the Secretary, Ministry of Healthcare and Indigenous Medical Services were exempted from PAL. This exemption should not be granted for any partial consignment/cargo of the above and effective until 31 December 2020.
- 26 May 2020 - PAL on the importation of raw materials and packing materials by the pharmaceutical manufacturers for the manufacture of pharmaceuticals was exempted.
- 03 September 2020 - PAL on the importation of selected machinery, plants and equipment was reduced to 2.5 per cent from 5 per cent.

Other Taxes and Levies

- 01 January 2020 - Debt Repayment Levy (DRL) was removed.
- 23 March 2020 - The deadline of stamp duty payments for the first quarter of 2020, which was due on 15 April 2020, was extended until 30 April 2020.

Government Expenditure

- 08 January 2020 - The Cabinet of Ministers has granted approval to provide the recommended quantities of Urea, Triple Super Phosphate (T.S.P) and Muriate of Potash (MoP), free of charge, up to a maximum of two hectares to farmers cultivating paddy from the commencement of the Yala season of 2020.
- 14 February 2020 - The National Pay Commission was established to advise and assist the government in the formulation and implementation of a national wage policy.
- 19 June 2020 - The compulsory retirement age of the medical officers of the public service was extended up to sixty one years (61) with effect from 20 May 2020.
- 28 August 2020 - The Vote on Account (VoA) amounting to Rs. 1,748 billion for the period of September-December 2020 was approved by the Parliament.
- 02 September 2020 - A programme to recruit graduates and unskilled individuals from low income families was commenced.
- 11 September 2020 - Temporary suspension of Corporate Social Responsibility (CSR) activities of State Owned Enterprises (SOEs) including sponsorships, donations and advertisements was revoked.

Debt Management

- 01 January 2020 - Actions were taken to record relevant information (including settlement value, price and interest rate) of the transactions in the Scripless Securities Settlement System (SSSS) to capture more attributes of transactions carried out in the government securities market (secondary market).
- 29 March 2020 - Actions were taken to facilitate Treasury bill subscription by the Central Bank of Sri Lanka to cover any shortfall arising at weekly Treasury bill auctions.
- 06 May 2020 - Measures were taken to publish the maximum yield rate for acceptance for all maturities offered at Treasury bill and Treasury bond auctions until the financial markets return to normalcy.
 - Activation of the Phase III of Treasury bond auction system was temporarily halted until normal procedures of the auction are reintroduced once the market returns to normalcy.