



Decisions taken by Cabinet of Ministers on 24.06.2020

1. Financing the projects that implemented by the Road Development Authority and the National Water Supply and Drainage Board.

Arrangements have been made to commence work on Phase 1 of the Central Expressway Project. Work on Part 2 of the project is under way. Further, the 100,000 km road development project has been commenced and currently it is underway. Accordingly, the Road Development Authority has to secure funds of Rs. 50 billion to make payments for projects currently underway. In addition, 30 billion of funding is needed to settle essential financial obligations relevant to the water supply projects implemented by the National Water Supply and Drainage Board. Accordingly, the proposal presented by the Minister of Finance, Economy and Policy Planning to authorize the relevant authorities of the respective institutions to obtain funds from the local banks including Bank of Ceylon, People's Bank and National Savings Bank and to issue the Treasury Guarantees for the purpose was approved by the cabinet of Ministers.

2. Financial aids of the World Bank's International Development Corporation (IMD) agreed to be made for Covid-19 Emergency Response.

The International Development Association of the World Bank Group has agreed to use US \$ 60 million, which is not yet bonded, for the following projects funded by the International Development Corporation (UNDP) to fund programs targeted at Covid-19 affected social segments.

- Transport Connectivity and Asset Management Project
- Ecosystem conservation and management Project
- Agro-irrigation development project adapting to climate change

Further, The International Development Agency (IDA) has agreed to provide US \$ 5 million under the Transit Loan Facility and US \$ 1.2 million grant under the Pandemic Emergency Financing Facility. Accordingly, the proposal made by the Prime Minister in his capacity as the Minister of Finance, Economy and Policy Development to obtain the said funds was approved by the cabinet of Ministers on June 3, 2020.

Subsequently, the International Development Agency (IDA) has agreed to provide an additional US \$ 22.4 million under transition assistance loans. Accordingly, the cabinet of ministers approved the proposal presented by Hon. Prime Minister in his capacity as the Minister of Finance, Economy and Policy Development to increase the total amount of funds to be obtained up to USD87.24 million and to use these funds for social security measures targeting the severely impacted sections of society due to Covid-19 outbreak.



3. Relief measures taken by the Ministry of Foreign Relations and the Sri Lankan Missions abroad to address the issues related to vulnerable segments of Sri Lankans in abroad amidst the Covid-19 Global Pandemic.

Minister of Foreign Affairs presented the following measures taken by the Ministry of Foreign Relations and the Sri Lankan Missions abroad to address the issues related to vulnerable segments of Sri Lankans in abroad amidst the Covid-19 Global Pandemic.

- Around 52,401 Sri Lankans in 117 countries have made requests to return to Sri Lanka by June 16, 2020.
- Together with the Presidential Secretariat and the Task Force on Covid-19, more than 9580 Sri Lankans have been brought to Sri Lanka from 38 countries.
- Ten flights have been arranged from 24th June to 7th July to repatriate Sri Lankans from 10 other countries.
- Over 42.6 million rupees has been funded to Sri Lanka Missions for providing dry rations, basic medicines, safety equipment and safe transportation to vulnerable segments in the Middle East and elsewhere.
- Steps have been taken to send 5,000 bags worth 15.5 million rupees containing dry rations and medicines to Maldives, UAE and Qatar where there is shortage of goods and difficulty in purchasing dry rations.
- Diplomatic representations are made by the Sri Lankan Missions to meet the needs of Sri Lankans overseas and maintain continuous contact with Sri Lankans.
- Steps have been taken to provide necessary services from the nearest Sri Lankan Diplomatic Missions concerning the countries where Sri Lankan Missions are not being functioning.
- Sri Lankan Diplomatic Missions have been working to identify new markets and increase the demand in existing markets in order to revive the economy of Sri Lanka by minimizing the impact of the global plague.
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4. Awarding the contract for the buildings and infrastructure constructions for Faculty of Computing and Technology in the University of Kelaniya

The building and Infrastructure construction of the Faculty of Computing and Technology, University of Kelaniya is implemented under the "Science and Technology Human Resource Development Project" funded by the Asian Development Bank . The Cabinet of Ministers approved the proposal presented by the Minister of Higher Education, Technology and Innovation to award this contract to M/s Maga-ICC Joint Venture for Rs.3,032.70 million(without tax) upon the recommendation of cabinet appointed standing procurement committee.



05. Preparation of a formal scheme of distribution of chemical fertilizer required for other crops excluding paddy to the farmers / cultivators.

The Ministry of Mahaveli, Agriculture, Irrigation and Rural Development has implemented several programmes namely 'Saubhagyaye Gewatte' (Prosperous Home Garden) and the programme to cultivate 16 field crops that have been identified within 88,000 hectares of land for ensuring food security in order to avoid inconveniences liable to have taken place with regard to the food security due to the factors limiting the imports and exports followed by COVID - 19 global pandemic situation. Therefore under these circumstances, the Cabinet of Ministers considered the above probabilities, subsequent to having tabled the programme expected to be implemented along with the following steps by the Minister of Mahaveli, Agriculture, Irrigation and Rural Development for providing chemical fertilizer formally without any shortage to the cultivators of other crops but paddy.

- Encouraging to use organic fertilizer for the small scale agricultural crops including 'Saubhagyaye Gewatte' (Prosperous Home Garden) while providing opportunity to buy less than 10 kilograms of chemical fertilizer from the market only if required.
- Providing 50% of the required amount of fertilizer ration approved for non - paddy crops from the open market while the other 50% to be issued through the Agrarian Development Centres.
- Providing the chemical fertilizer subsidy required for the vegetable, fruit, and other agricultural cultivations implemented under the supervision of the Department of Agriculture, Provincial Agriculture Departments and Sri Lanka Mahaveli Authority through the Agrarian Development Centres.
- Preparation of the methodology to obtain the fertilizer required for the cultivators from the open market using an invoice issued by Agricultural Research and Production Assistant when there are no required stocks of fertilizer at the Agrarian Development Centres or when it is apparent to have delays in the required stocks.



06. Extension of the transport contract between Ceylon Shipping Corporation and United Shippers Ltd for unloading coal from barges from the ships to Lakwijaya Coal Power Plant.

The contract between Ceylon Shipping Corporation and United Shippers Ltd of India for disembarkation of coal from barges from the ships to Lakwijaya Coal Power Plant has been ended from April 2020. The Cabinet of Ministers approved the consolidated proposal tabled by the Minister of Ports with Shipping and the Minister of Electricity and Power.

07. Tax Concessionary Actions for the post COVID – 19 economic uplifting programme

A simple, transparent, efficient taxing scheme was introduced for all the parties in the economy including small and medium level entrepreneurs by the cabinet decision 'Dawn of the Economic Uplifting' (Economic Revival Beginning Programme) furnished on the 26th of November 2019 by His Excellency the President. However it has been an essential factor to implement tax control actions by giving sufficient pace to inaugurate the business operations of especially the small and medium scale entrepreneurs through implementation of tax administration actions for easing their tax burden since a drastic impact has been created in regard to the economic activities of the country due to COVID – 19 pandemic conditions.

Therefore, the Cabinet of ministers in their decision on 03 June 2020 approved to release the duties related to all types of taxes during the lockdown period of the government due to COVID – 19 and implement such duties from the month of July 2020.



Apart from that the Cabinet of Ministers approved the proposal submitted by the Prime Minister as the Minister of Finance, Economic and Policy Development in regard to providing the following relives to small and medium scale entrepreneurs, to revise the legal provisions accordingly and to implement the so proposed relives with immediate effect until such time legal provisions are imposed.

- If the Commissioner General of Inland Revenue is satisfied that no wilful evasion of tax has been taken place, releasing the income tax in arrears payable on the valuation issued up to the valuation year 2018 / 2019.
- Non – issuance of additional valuations once again in regard to the small and medium scale entrepreneurs who paid tax by submitting income tax reports for the valuation year 2019 / 2020
- Extension of the period provided for the bank guarantee or the non – refundable amount to be submitted when an appeal is submitted to the tax appeal commission.
- Granting a concessionary period for the payment of tax that have been agreed upon and in arrears / defamed in the Department of Inland Revenue
- Suspending the implementation of the injunction orders issued to the banks until 30th April 2021.
- Enable payment or / and obtaining of tax reports of a particular tax applicable from 01st March 2020 to 30th June 2020 on the 31st December 2020 or prior to that and consider that the relevant payment of tax / submitting the report was carried out in time.

08. Limitation of remittance of foreign exchange from the country and obtain approval to issue orders on the foreign exchange deposit account.

A decision was taken at the meeting of the Cabinet of Ministers on 01st April 2020 to suspend certain remittances from this country to others for three (03) months, whereas the relevant order has been issued by the gazette notification on 02nd April 2020 for taking necessary measures as per section 22 of the foreign exchange act.



Morefully, approval of the Cabinet of Ministers was granted at the meeting held on the 22nd April 2020 for taking necessary steps to encourage the remittance of foreign currency to the country across foreign currency deposit accounts.

In terms of the cabinet decisions mentioned above, the gazette notifications respectively on 02.04.2020 and 08.03.2020 were issued for the statutes applicable under sections 22 and 29 of the Foreign Exchange Act No 12 of 2017.

Furthermore, the Cabinet of Ministers approved the following proposals submitted by the Hon. Prime Minister as the Minister of Finance, Economic and Policy Development for taking measures applicable to the said orders.

- Extending the period of the gazette notification appearing the orders applicable for the limitation of remittances made out of the country by another six (06) months from 02nd July 2020.
- Issuance of a new gazette notification revising the existing gazette notification dated 08.04.2020 issued comprised of the orders under section 29 of the Foreign Exchange Act No. 12 of 2017 for minimizing the issues erupted due to the provisions existing in the laws applicable to foreign exchange law, money laundering and investment money on terrorist activities when implementing the methodologies introduced for encouraging the remittance of foreign exchange into the country through foreign exchange deposit accounts.