



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය

අති විශේෂ

The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

අංක 2481/09 - 2026 මාර්තු මස 24 වැනි අඟහරුවාදා - 2026.03.24

No. 2481/09 - TUESDAY, MARCH 24, 2026

(Published by Authority)

## PART I : SECTION (I) — GENERAL

### Central Bank of Sri Lanka Notices

CENTRAL BANK OF SRI LANKA ACT, NO. 16 OF 2023

RULES made under Section 105 read with Sections 106(1), 32 and 33 of the Central Bank of Sri Lanka Act, No. 16 of 2023.

**DR. P. NANDALAL WEERASINGHE,**  
Chairman of the Monetary Policy Board and  
Governor of the Central Bank of Sri Lanka.

Central Bank of Sri Lanka,  
Colombo,  
24th March, 2026.

#### Rules made by the Central Bank of Sri Lanka

1. These Rules shall be cited as the “Rules on Reserve Requirement, No. 01 of 2026”.
2. These Rules shall apply to licensed commercial banks operating in Sri Lanka.
3. The Monetary Policy Board of the Central Bank, acting in terms of the provisions of Sections 32 and 33 of the Central Bank of Sri Lanka Act, No. 16 of 2023 (*herein after referred to as the “Act”*), hereby issues the following Rules, pertaining to the Statutory Reserve Requirement framework of the Central Bank.



4. In terms of the provisions of Section 32 of the Act, licensed commercial banks operating in Sri Lanka shall maintain reserves against deposit liabilities.

5. (i) In terms of the provisions of Section 33 of the Act, the reserves required to be held by licensed commercial banks against their deposit liabilities specified in Rule 4 above shall be an amount equal to *Two per centum (2%)* of the total of such deposit liabilities.

(ii) The reserves required to be held by a licensed commercial bank against all deposit liabilities specified in Rule 4 above shall take the form of Rupee deposits in the Central Bank.

6. Calculation and maintenance of the required reserves under these Rules shall be conducted by licensed commercial banks in accordance with the annual Reserve Maintenance Period Calendar as specified in the operating instructions issued by the Director on that behalf.

7. For the purpose of calculating the required reserves under these Rules, the concession already provided by the Central Bank to licensed commercial banks to include currency notes and coins as part of their required reserves will be withdrawn in two stages as follows:

(i) **Stage 1** - For the Reserve Maintenance Period commencing on 01 April 2026, licensed commercial banks may maintain an amount over and above *two per centum (2%)* of the average deposit liabilities but not exceeding *two and half per centum (2.5%)* thereof as a part of their required reserves in the form of Sri Lanka currency notes and coins and only such amount (*only up to one-half per centum (0.5%)*) over and above the *two per centum (2%)* shall be recognized as part of the required reserves.

(ii) **Stage 2** - For the Reserve Maintenance Period commencing on 30 September 2026, the concession permitting licensed commercial banks to include Sri Lanka currency notes and coins as part of their required reserves shall be fully withdrawn, and no amount held in such form shall thereafter be recognized for the purpose of meeting the reserve requirement under these Rules.

8. Reserves required to be maintained in the form of assets other than rupee deposits in the Central Bank, that may be demanded by the Monetary Policy Board from licensed commercial banks, will be notified by the Director, through operating instructions.

9. For the purposes of these Rules, the minimum daily balance to be maintained by a licensed commercial bank during the Reserve Maintenance Period, will be specified by the Director through operating instructions.

10. (i) Any deficiency in reserves maintained by licensed commercial banks shall be subject to an interest equivalent to two (02) times the prevailing Overnight Policy Rate as determined by the Monetary Policy Board from time to time.

(ii) Such interest will be calculated on *per annum* basis and applied on a daily basis to the amount of reserve deficiency and shall be charged from the licensed commercial bank for the duration of the shortfall.

(iii) The interest charged on the reserve deficiency under paragraphs (i) and (ii) above shall be paid not later than three (3) working days after the end of the respective Reserve Maintenance Period.

(iv) When the reserves maintained by a licensed commercial bank are determined to be below the level of the required reserves, the Director, or any officer duly authorized by the Director for that purpose, may issue a notice on the following working day after the end of the respective Reserve Maintenance Period including-

- (a) that the reserves of such licensed commercial bank are below the amount of the required reserves;
- (b) the period in respect of which there was a deficiency of such reserves;
- (c) amount of such deficiency;
- (d) the amount of interest applicable thereon; and
- (e) the demand for payment of such interest to the Central Bank.

(v) The notice issued under paragraph (iv) above shall be deemed to be a formal and sufficient notice to the licensed commercial bank on the reserve deficiency, imposition of interest upon such deficiency and the amount of interest due and payable to the Central Bank.

11. (i) These Rules shall come into force on 01 April 2026.

(ii) “Regulation D” issued under the Monetary Law Act, No. 58 of 1949 and published in the Sri Lanka *Gazette* (Extraordinary) No. 1805/39 of 12 April 2013, as amended from time to time, is hereby repealed and the same shall be ceased to have any force or effect without prejudice to anything duly done thereunder.

(iii) Unless the context otherwise requires in these Rules—

“Central Bank” shall mean the Central Bank of Sri Lanka established under the Central Bank of Sri Lanka Act, No. 16 of 2023.

“Deposit Liabilities” shall mean all those liabilities of a licensed commercial bank being demand deposits, savings deposits, time deposits, placements made by any institution other than a commercial bank in the inter-bank call money market, margins against letter of credit and special deposit scheme if any, such as pension funds, children's deposit schemes and other schemes of a similar nature, and assets held in trust or on behalf of its constituents consequent to deposits denominated in Sri Lanka currency, but does not include inter-commercial bank deposits.

“Demand Deposits” shall mean all those deposit liabilities of a commercial bank which are denominated in Sri Lanka Rupees, subject to payment in legal tender upon demand by cheque, draft or order, but does not include any such liability if it is subject to payment upon conditions.

“Director” shall mean the Head of the Department of Market Operations of Central Bank of Sri Lanka.

“Minimum Daily Balance” shall mean the minimum amount that licensed commercial banks are required to maintain on a daily basis to comply with the required reserve level in their current accounts in the Central Bank.

“Monetary Policy Board” shall mean the decision-making body established under section 11 of the Central Bank of Sri Lanka Act, No. 16 of 2023.

“Overnight Policy Rate” shall mean the policy interest rate introduced by the Central Bank to officially indicate and communicate its monetary policy stance.

“Reserve Requirement” is the proportion of deposit liabilities that the licensed commercial banks are required to keep as a cash deposit with the Central Bank in terms of Section 32 of the Central Bank of Sri Lanka Act, No. 16 of 2023.

“Reserve Maintenance Period Calendar” shall mean the scheduled timetable issued by the Director, Market Operations that outlines the Reserve Maintenance Periods for a year, specifying the start and end dates of each period during which licensed commercial banks must maintain their required reserves.

“Savings Deposits” shall mean all deposit liabilities denominated in Sri Lanka currency other than demand deposits and time deposits as defined.

“Time Deposits” shall mean all deposits liabilities denominated in Sri Lanka currency accepted for a period of maturity and not withdrawable on demand and repaid with interest.

EOG 03 - 0203