



UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 9/2011

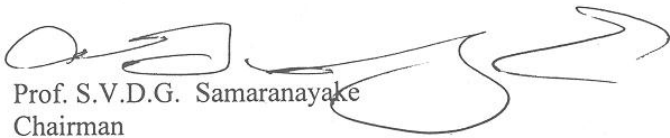
7th October, 2011

Vice-Chancellors of Universities,
Directors of Institutes,
Rectors of Campuses.

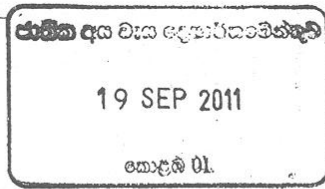
The Payment of Allowances - State Enterprises/Entities

The University Grants Commission adopted the Public Enterprises Circular No. 58(2) dated 15th September, 2011 issued by the Department of Public Enterprises on the above subject. Copies of the circular is enclosed for your compliance by all Universities & Higher Educational Institutions.

This letter is available on the UGC website www.ugc.ac.lk


Prof. S.V.D.G. Samaranayake
Chairman

- Cc.
1. Secretary/MOHE
 2. Vice-Chairman/UGC
 3. Secretary/UGC
 4. Accountant/HOF/UGC
 5. Registrars of Universities
 6. Bursars of Universities
 7. SAR/AR of Institutes/Campuses
 8. SAB/AB of Institutes/Campuses
 9. Additional Secretary/HR
 10. Snr. Asst. Accountant/UGC
 11. Chief Internal Auditor/UGC
 12. Auditor General
 13. Govt. Audit Superintendent/UGC



PED/POL/2/ Circular
Public Enterprises Department

13, September 2011

Public Enterprises Circular No.: 58(2)

Secretaries to the Ministries
Chairmen of State Owned Enterprises including Statutory Boards,
State Owned Companies and State Banks

The Payment of Allowances - State Enterprises / Entities

1. Overview

The Government entities engage in regulatory, promotional, research, educational as well as other commercial activities. Accordingly, they are classified under different headings reflecting their involvements and responsibilities, in order to establish an effective supervisory and performance monitoring mechanism that will be facilitated by the Public Enterprises Department as well as to provide a rational basis to determine the amount of allowances to Chairman, Board Members, Working Directors etc.

1.1 Regulatory Agencies

Entities associated with regulatory function in terms of an Act of Parliament are deemed to be Regulatory Agencies. These Regulatory Agencies are further divided into Sub-category A and Sub-category B, based on their strategic importance.

1.2 Promotional Agencies

Entities associated with promotional activities are deemed to be Promotional Agencies. These Promotional Agencies which are divided into Sub-category A and Sub-category B, based on whether the entities are self-financed or otherwise.

1.3 Research and Development Agencies

Entities associated with research and development activities for the benefit of the public are deemed to be Research and Development Agencies.

1.4 Educational Agencies

Entities associated with tertiary and higher education, vocational and other training, as well as in the furtherance of knowledge of professionals are deemed to be Educational Agencies. These Educational Agencies are further divided into Sub-category A and Sub - category B, based on their task and responsibilities.

1.5 State Owned Enterprises

Entities engaged in commercial activities, that are incorporated by an Act of Parliament or under the Companies Act No. 7 of 2007, and in which the

Government owns the total or the majority shares are deemed to be State Owned Enterprises. These Agencies are further divided into Sub-categories A, B, C, D, E and F, according to their scale of operations, the share of Government investment in such entities, the asset base, the number of employees, associated business complexities and the contribution to the economy and the National Budget.

2. Payment of Allowances

The Monthly Allowance payable to Chairmen, Executive Directors and Working Directors and the Sitting Allowances payable to Board Members and Observers on a per-sitting basis for attending Board Meetings, Audit and Management Meetings, and any such meeting as may be required in terms of a statute or as may be required by a regulator, are given in Table 1.

Table 1
Monthly Allowance/Sitting Allowance

Status	Sub - Category	Monthly Allowance (Rs.)		Sitting Allowance (Rs.)
		Chairman	Executive Director/ Working Director	Non Executive Directors/ Observers
Regulatory	A	75,000	60,000	7,500
	B	50,000	40,000	4,000
Promotional	A	70,000	55,000	7,500
	B	50,000	40,000	4,000
Research & Development	-	50,000	40,000	4,000
Educational	A	As approved by the appropriate Authority		4,000
	B	50,000	40,000	4,000
Other State Owned Entities	A	90,000	70,000	10,000
	B	70,000	55,000	7,500
	C	60,000	45,000	6,000
	D	50,000	40,000	5,000
	E	50,000	40,000	4,000

- 2.1 A person, who holds the post of Chairman / Executive Director (ED) or Working Director (WD) in more than one entity, should avail allowances on the following basis, notwithstanding anything to the contrary contained in the Letter of Appointment or any previous decision given in that regard by the Management Services Department.

Full Allowance	-	From the first office
50% of the Allowance	-	From the Second Office
25% of the Allowance	-	From the Third Office

It should be noted that no person can claim remuneration/ an allowance, for serving in more than three Offices.

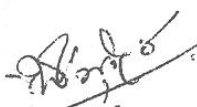
- 2.2 A person who acts as a Chairman, ED or WD is entitled for an acting allowance of 50% of the respective allowance for the period of such service provided such person has served in such post for a minimum of consecutive 28 days.
- 2.3 Any Chairman, Board Member, Executive Director, Working Director or a Observer who covers up duties of a permanent position in the same entity, cannot be paid any additional payment.
- 2.4 A reasonable Transport Allowance having taken into account the associated distance, be paid to a Board Member or an Observer for attending Board Meetings, audit and Management Meetings, or such other Meetings, provided such person has not been given a transport or a transport allowance by that institution.
- 2.5 This Circular will not apply to State Owned Enterprises in Sub- category F that are governed by the relevant Act of Incorporation, the Companies Act, the respective Articles of Association and provisions of other applicable laws including Taxes and other Regulatory provisions. The payment of allowances to Chairman, Board of Directors etc. as well as the salaries and other allowances and the terms and conditions of key executive officers of State Owned Enterprises in this Sub-category will therefore be decided by the respective Board of Directors having regard to competitive market rates paid by similar institutions, the educational and competence level of the person concerned, with the concurrence of the Hon. Minister of Finance and Planning.

3. Payment of Taxes

- 3.1 Monthly Allowances and Sitting Allowances to Chairman, Board of Directors, Executive Director (ED), Working Director (WD) or observers are liable to payment of tax, subject to applicable laws. Hence, it shall be the duty of all entities to ensure the deduction of 10 percent withholding tax and remitting the same to the Inland Revenue Department, where applicable and similarly it shall be the duty of all such persons to ensure the payment of such withholding tax from such payment.

4. Cancellation of Previous Circulars

Public Enterprises Circular No, PED 58 issued on 29th April 2011, PED 58 (1) issued on 27th June 2011 is hereby cancelled. Any clarification may be sought from the Public Enterprises Department of the Ministry of Finance and Planning.


P. B. Jayasundera
Secretary to the Treasury

- Cc:
1. Secretary to the President
 2. Auditor General
 3. Director General - Management Services Department

List of State Entities

Regulatory Agencies

Category A

1 Civil Aviation Authority	6 Public Utilities Commission of Sri Lanka (PUSL)
2 Consumer Affairs Authority	7 Securities & Exchange Commission of Sri Lanka (SEC)
3 Geological Survey & Mines Bureau (GSMB)	8 Telecommunication Regulatory Commission of Sri Lanka (TRC)
4 Insurance Board of Sri Lanka (IBSL)	9 University Grant Commission (UGC)
5 National Gem & Jewellery Authority	

Category B

1 Ayurvedic Medical Council	11 National Transport Medical Institute
2 Atomic Energy Authority	12 Official Languages Commission
3 Central Environmental Authority	13 Public Performance Board
4 Condominium Management Authority	14 Sri Lanka Accounting & Auditing Standards Monitoring Board
5 Homeopathy Medical Council	15 Sri Lanka Accreditation Board of Conformity Assessment
6 Institute of Child Protection Authority	16 Sri Lanka Inventors Commission
7 Institute of Construction Training & Development (ICTAD)	17 Sri Lanka Standards Institution
8 Medical Council of Sri Lanka	18 Sri Lanka Vocational Training Authority
9 National Dangerous Drug Control Board	19 Tertiary & Vocational Education Commission
10 National Transport Commission	20 Water Resources Board

Promotional Institutions

Category A

1 Information & Communication Tech. Agency of Sri Lanka Ltd	4 Sri Lanka Tourism Development Authority
2 Sri Lanka Tea Board	5 Urban Development Authority (UDA)
3 Board of Investments (BOI)	6 Sri Lanka Tourism Promotion Bureau

Category B

1 Coconut Cultivation Board	7 National Design Centre
2 Coconut Development Authority	8 National Enterprise Development Authority
3 Export Development Board	9 National Housing Development Authority
4 Industrial Development Board	10 Sri Lanka Sustainable Energy Authority
5 National Aquaculture Development Authority (NAQDA)	11 Tea Small Holder Development Authority
6 National Crafts Council	

Educational Institutions

Category A

1 Buddhasrawake Bhikku University	20 Sir John Kotalawala Defence University
2 Buddhist & Pali University	21 South Eastern University of Sri Lanka
3 Eastern University of Sri Lanka	22 Sri Palee Campus
4 Gampaha Wickramarachchi Ayurveda University	23 Swami Vipulananda Institute of Aesthetic Studies
5 Institute of Human Resource Advancement	24 Trincomalee Campus
6 Institute of Bio Chemicals Molecular Biology and Biotechnology	25 University of Ruhuna
7 Institute of Indigenous Medicine	26 University of Visual & Performing Arts
8 Institute of Technology University of Moratuwa	27 University of Colombo
9 National Center for Advance Studies in Humanitarian and Social Scs	28 University of Colombo institute for Agro Technology and Rural
10 National Institute of Library & Information Science	29 University of Colombo School of Computing
11 Open University of Sri Lanka	30 University of Jaffna
12 Post Graduate Institute of Pali & Buddhist Studies	31 University of Kelaniya
13 Post Graduate Institute of Agriculture	32 University of Moratuwa
14 Post Graduate Institute of Archeology	33 University of Peradeniya
15 Post Graduate Institute of English	34 University of Sri Jayawardanapura
16 Post Graduate Institute of Medicine	35 University of Vocational Technology
17 Post Graduate Institute of Science	36 Uva Wellasa University of Sri Lanka
18 Rajarata University of Sri Lanka	37 Vavuniya Campus
19 Sabaragamuwa University of Sri Lanka	38 Wayamba University of Sri Lanka

Category B

1 Ceylon-German Technical Training Institute	12 National Library & Documentation Service Board
2 Defense Services Command and Staff College	13 Post Harvest Technology Institute
3 Distance Learning Centre (DLC)	14 SL Institute of Development Administration
4 Gem & Jewellery Research & Training Institute	15 Sri Lanka Foundation Institute
5 National Apprenticeship & Industrial Training Authority (NAITA)	16 Sri Lanka Institute of Advanced Technological Education
6 National Institute of Corporative Development	17 Sri Lanka Institute of Information Technology (Guarantee) LTD
7 National Institute of Education	18 Sri Lanka Judges Institute
8 National Institute of Fisheries & Nautical Engineering	19 Sri Lanka Institute of Textile & Apparel
9 National Institute of Language Education & Training	
10 National Institute of Plantation Management	

Research and Development Institutions

1 Arthur C Clarke Institute for Modern Technology	8 National Building Research Organization
2 Coconut Research Board	9 National Engineering Research & Development Centre
3 Rubber Research Board	10 Sugar Cane Research Institute
4 Hector Kobbekaduwa Agrarian Research & Training Institute	11 SL Council for Agriculture Research Policy
5 Industrial Technology Institute	12 Tea Research Institute of Sri Lanka
6 Institute of Fundamental Studies	13 National Aquatic Resources Research Dev. Agency (NARA)
7 Institute of Policy Studies	

State Owned Enterprises

Category A

1 Airport and Aviation Services (Sri Lanka) Ltd. (AASL)	5 National Savings Bank (NSB)
2 Bank of Ceylon (BOC)	6 National Water Supply and Drainage Board (NWSDB)
3 Ceylon Electricity Board (CEB)	7 People's Bank (PB)
4 Ceylon Petroleum Corporation (CPC)	8 Sri Lanka Ports Authority (SLPA)

Category B

1 Central Engineering Consultancy Bureau (CECB)	14 National Lotteries Board (NLB)
2 Ceylon Fertilizer Company Ltd	15 Post Graduate Institute of Management (PIM)
3 Chilaw Plantations Ltd.	16 Regional Development Bank (RDB)
4 Development Lotteries Board (DLB)	17 SL Export Credit Insurance Corporation
5 Employees Trust Fund Board (ETF)	18 Sri Lanka Bureau of Foreign Employment
6 Housing Development Finance Corporation Bank of SL (HDFC)	19 Sri Lanka Land Reclamation & Development Corp. (SLRDC)
7 Independent Television Network (ITN)	20 Sri Lanka Transport Board (SLTB)
8 Kurunegala Plantations Ltd.	21 State Development and Construction Corporation (SD&CC)
9 Lanka Mineral Sands Ltd	22 State Engineering Corporation
10 Lanka Sathosa Ltd. (Laksathosa)	23 State Mortgage & Investment Bank (SMIB)
11 Milk Industries of Company Ltd. (MILCO)	24 State Pharmaceuticals Corporation (SPC)
12 National Insurance Trust Fund (NITF)	25 State Pharmaceuticals Manufacturing Corporation (SPMC)
13 National Institute of Business Management (NIBM)	26 State Timber Corporation

Category C

1 Agricultural and Agrarian Insurance Board	17 Paranthan Chemicals Co. Ltd
2 Ceylon Fisheries Corporation	18 Rakna Arakshana Lanka Ltd.
3 Ceylon Shipping Corporation	19 Sri Jayewardenepura General Hospital
4 Colombo Commercial Fertilizer Co.	20 Sri Lanka Ayurvedic Drugs Corporation
5 Elkaduwa Plantations Ltd.	21 Sri Lanka Broadcasting Corporation (SLBC)
6 Janatha Estates Development Board (JEDB)	22 Sri Lanka Cashew Corporation
7 Kahatagaha Graphite Lanka Ltd	23 Sri Lanka Convention Bureau
8 Kalubovitiyana Tea Factory Ltd.	24 Sri Lanka Handicrafts Board
9 Land Reform Commission	25 Sri Lanka Institute of Tourism & Hotel Management
10 Lanka Logistics (Pvt) Ltd.	26 Sri Lanka Institute Printing
11 Lanka Phosphate Ltd.	27 Sri Lanka Rupavahini Corporation
12 Lankaputhra Development Bank	28 Sri Lanka Savings Bank Ltd.
13 Mantai Salt Ltd.	29 Sri Lanka State Plantations Corp (SLSPC)
14 National Film Corporation	30 State Printing Corporation
15 National Livestock Development Board (NLDB)	31 STC General Trading Company Ltd.
16 Paddy Marketing Board	

Category D

1 B.C.C. Lanka Ltd	15 National Equipment & Machinery Organization
2 Building Materials Corporation	16 National Paper Corporation
3 Ceylon Ceramics Corporation	17 North Sea Ltd.
4 Ceylon Fishery Harbour Corporation	18 Osu Govi Company Ltd.
5 Cey-Nor Foundation Ltd	19 Palmyrah Development Board
6 Corporative Wholesale Establishment (CWE)	20 POLIPTO Lanka Pvt. Ltd
7 Hingurana Sugar Industries Ltd	21 Selasene Rupavahini
8 Janatha Fertilizer Enterprises Ltd	22 Skills Development Fund
9 Kanthale Sugar Industries Ltd	23 Sri Lanka Carbon Fund Ltd.
10 Lakdiva Engineering Co Ltd	24 Sri Lanka Cement Corporation
11 Lanka Cement Company Limited	25 Sri Lanka Rubber Manufacturing & Export Corporation
12 Lanka Fabrics Ltd	26 Sri Lanka Thripasha Co. Ltd
13 Lanka Leyland Ltd	27 State Trading Cooperative Wholesale Co Ltd.
14 Lanka Salusala Ltd	

Category E

1	Disaster Management Centre	18	Resettlement Authority
2	Hadabima Authority of Sri Lanka	19	Road Development Authority
3	Land Survey Councils	20	Samurthi Authority of Sri Lanka
4	Legal Aid Commission of Sri Lanka	21	Social Security Board
5	Mahaweli Authority of Sri Lanka	22	Southern Development Authority of Sri Lanka
6	Marine Environment Protection Authority	23	Sri Lanka Book Development Council
7	Mediation Board Commission	24	Sri Lanka Freedom from Hunger Campaign Board
8	National Human Resources Development Council	25	Sri Lanka Press Council
9	National Science & Technology Commission	26	State Resources Management Corporation Limited
10	National Science Foundation	27	Sugathadasa National Sports Services Complex Authority
11	National Secretariat for Disabilities	28	Superior Courts Complex Board
12	National Secretariat for Elders	29	Thurusaviya Fund
13	National Youth Services Council	30	Tower Hall Theatre Foundation
14	National Institute of Social Development	31	Udarata Development Authority
15	Sri Lanka Institute of Local Governance	32	Urban Settlement Development Authority
16	Ranaviruseva Authority	33	Wijaya Kumaratunga Memorial Hospital
17	Rehabilitation of Persons, Property & Ind Authority	34	All other Institutions not listed under any other category

Category F

1	Hotel Developers Lanka Ltd	5	Sri Lankan Airlines Ltd
2	Mihin Lanka (Pvt) Ltd	6	The Associated News papers Corporation
3	Sri Lanka Insurance Corporation	7	Thomas De Larue Lanka C&C Printing Ltd
4	Sri Lanka Telecom PLC	8	West Coast Power (Pvt) Ltd