

UNIVERSITY GRANTS COMMISSION

Finance Circular Letter No. 04/2015

7th August, 2015

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

Payment of Allowances to Chairmen, Executive and Non-Executive Directors and Observers

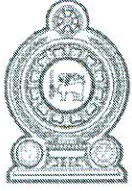
The University Grants Commission adopted the Public Enterprises Circular No. PED 03/2015 dated 17th June, 2015 issued by the Department of Public Enterprises on the above subject. Copies of the circular is enclosed herewith for compliance by all Universities & Higher Educational Institutions with effect from 1st July, 2015.

The monthly allowances that should be approved by the appropriate authority as stated in paragraph 2 of the circular will be notified in due course.

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

Prof. Mohan De Silva
Chairman

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



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நிதி அமைச்சு
MINISTRY OF FINANCE

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செயலகம், கொழும்பு 01.
இலங்கை

The Secretariat, Colombo 01.
Sri Lanka

කාර්යාලය } (94)-11-2484500
அலுவலகம் } (94)-11-2484600
Office } (94)-11-2484700

ෆැක්ස් }
பெக்ஸ் } (94)-11-2449823
Fax }

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වෙබ් සයිට් } www.treasury.gov.lk
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Date }

Public Enterprises Circular No. PED 3/2015

Department of Public Enterprises
General Treasury
Colombo 01

All Secretaries to Ministries,
Chairmen of Public Corporations, Statutory Boards,
State Owned Companies and State Banks

Payment of Allowances to Chairmen, Executive and Non-Executive Directors and Observers

Allowances to Chairmen, Executive and Non-Executive Directors and Observers of State Owned Enterprises are amended with effect from 1st July 2015.

1. Categorization of State Owned Enterprises (SOEs) for the Purpose of Payment of Allowances to Chairmen, Executive and Non-Executive Directors and Observers.

SOEs are categorized as hereunder, having taken into consideration mainly the nature of activities carried on, the economic and commercial environment within which they operate, the extent of their dependency on the national budget and the regulatory environment within which they function.

1.1. Regulatory Agencies

Entities entrusted with regulatory functions in terms of an Act of Parliament are deemed as Regulatory Agencies.

1.2 Promotional Agencies

Entities established under an Act of Parliament to perform promotional activities/ responsibilities, while being either dependent on the National Budget or derive own revenue from sources of income streams decided by the Government by way of rates, levy, rent, service fee etc. are deemed as Promotional Agencies.

1.3 Research and Development Agencies

Entities established under an Act of Parliament to perform research and development activities for the benefit of the national economy or in the wider interest of the public are deemed as Research and Development Agencies.

1.4 Educational Agencies

Entities established under an Act of Parliament or incorporated under the Companies Act No. 7 of 2007 which are involved in tertiary and higher education, vocational and other training or in furtherance of knowledge of professionals are deemed as Educational Agencies.

1.5 Other State Owned Enterprises not categorized under the above categories.

- I. Public Corporations i.e. corporations, boards or bodies which were or are established by or under any written law, other than the Companies Act.
- II. Companies incorporated under the Companies Act No 7 of 2007 in which the Government or a Public Corporation or local authority directly or indirectly hold fifty percent or more of the shares of that company.

1.6 Subcategories of five SOE Categories

Subcategories including the names of the institutions of the above five SOE categories are given in the annexure to this circular.

2 Monthly Allowances / Sitting Allowances

- 2.1 All-inclusive monthly allowances payable to Chairmen, Executive Directors and Working Directors and sitting allowances payable to Non-executive Directors and observers on a per sitting basis for attending Board Meetings and meetings of Board Sub Committees as may be required in terms of statute or as may be required by a regulator, shall be made as set out as follows:

SOE Category	Sub – Category	Monthly Allowance (Rs.)		Sitting Allowance (Rs.)
		Chairman	Executive Director/ Working Director	Non-Executive Directors/ Observers
Regulatory	A	100,000	80,000	10,000
	B	75,000	60,000	6,000
Promotional	A	90,000	75,000	10,000
	B	75,000	60,000	6,000
Research & Development	-	75,000	60,000	6,000
Educational	A	As approved by the appropriate Authority		6,000
	B	75,000	60,000	6,000
Other State Owned Enterprises	A	125,000	90,000	12,500
	B	100,000	75,000	10,000
	C	80,000	65,000	8,500
	D	75,000	60,000	7,500
	E	75,000	60,000	6,000

2.2 Allowances specified in this circular will not apply to the State Owned Enterprises in Sub-category F. The payment of allowances to Chairmen, Board of Directors etc. of SOEs in this category, shall be decided by the respective Board of Directors having regard to competitive market rates paid by similar institutions, the educational and competency levels of the personnel concerned, with the recommendation of the Secretary to the Line Ministry and the concurrence of the Hon. Minister of Finance.

2.3 A person who holds any of the posts of Chairman, Executive Director(ED) or Working Director (WD) in more than one entity on a full time basis cannot draw the full allowance from all the entities. Instead he/she may draw the allowances as given below notwithstanding anything to the contrary contained in the letter of appointment or any previous decisions given in that regard by the Management Services Department (MSD).

Full Allowance from the first office

50% of the allowance from the second office

25% of the allowance from the third office

A person permanently employed on a full time basis in the Public service or in any other SOE, drawing a salary and other benefits entitled for that position and has been appointed

as a Chairman/ED or WD of another SOE on a full time basis, will be eligible to draw only 50% of the due allowance from that SOE, he/she has been appointed to.

- 2.4 No person shall claim allowances for serving in more than three SOEs in the posts of Chairmen, Executive Director or Working Director.
- 2.5 Any Chairman, Board Member, Executive Director, Working Director or an Observer who covers up duties of a permanent position in the same entity, cannot be paid any additional payment.
- 2.6 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 28 consecutive days.
- 2.7 A reasonable Transport Allowance, having taken into account the distance, may be paid to a Board Member or an Observer for attending Board meetings or any Board Sub-Committee Meetings, provided such person has not been given transport facilities by the respective institution.
- 2.8 Any deviation in payment of monthly allowances or sitting allowances and any other similar payments other than those specified above, can be paid only with the recommendation of the Secretary to the Line Ministry and with the concurrence of the Hon. Minister of Finance.
- 2.9 Since Chairmen of SOEs are not treated as employees of SOEs, allowances paid to them are not liable for contribution to EPF and ETF.
- 2.10 Monthly allowances to Chairmen, Executive Directors/Working Directors and sitting allowances to Non- Executive Directors and observers are liable to deduct applicable taxes.
- 2.11 Chairmen, Executive Directors and Working Directors are not entitled for the sitting allowance paid to Non- Executive Directors and Observers.
- 2.12 Payment of sitting allowances should be limited to a maximum of two Board meetings per month.
- 2.13 Fees payable to the members of the Audit Committee and observers (excluding executives of the SOEs) should be in par with the amount that is paid to Non- Executive Directors who attend board meetings.
- 2.14 In case where the Chairman holds both Chairman and Chief Executive Officer posts, he/she entitles to draw only one allowance/ salary whichever is higher.

3 Cancellation of previous circular

The Public Enterprises Circular No. PED 58(2) dated 15th September 2011 is hereby cancelled.

4. Clarifications on this Circular

Any clarification regarding this circular may be obtained from Mr. J.M.U.P.Jayamaha, Additional Director General (Tel: 2484623) or Mr. M.R.V.R.Meepura, Director (Tel: 2484628) of Department of Public Enterprises.



R.H.S.Samaratunga
Secretary to the Treasury

- Copy to:
1. Secretary to the President
 2. Auditor General
 3. Director General – Department of Management Services.
 4. Director General – Department of National Budget

Annexure - Subcategories within the five SOE Categories (Refer to the section No 1.6 of the circular)

1. Regulatory Agencies

1.1 Sub Category A - Regulatory Agencies

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

1.2 Sub Category B - Regulatory Agencies

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

2. Promotional Agencies

2.1 Sub Category A - Promotional Institutions

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

2.2 Sub Category B - Promotional Institutions

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

3. Research and Development Agencies

1. Arthur C Clarke Institute of Modern Technology	2. National Building Research Organization
3. Coconut Research Board	4. National Engineering Research & Development Centre
5. Rubber Research Board	6. Sugar Cane Research Institute
7. Hecktor Kobbekaduwa Agrarian Research & Training Institute	8. Sri Lanka Council for Agriculture Research Policy
9. Industrial Technology Institute	10. Tea Research Institute of Sri Lanka
11. Institute of Fundamental Studies	12. National Aquatic Resources Research Dev. Agency (NARA)
13. Institute of Policy Studies	14. National Research Institute

4. Educational Agencies

4.1 Sub Category A - Educational Institutions

1. Buddhasrawake Bhikku University	2. Sir John Kotalawala Defense University
3. Buddhist & Pali University	4. South Eastern University of Sri Lanka
5. Eastern University of Sri Lanka	6. Sri Palee Campus
7. Gampaha Wickramarachchi Ayurveda University	8. Swami Vipulananda Institute of Aesthetic Studies
9. Institute of Human Resource Advancement	10. Trincomalee Campus
11. Institute of Bio Chemicals Molecular Biology and Biotechnology	12. University of Ruhuna
13. Institute of Indigenous Medicine	14. University of Visual & Performing Arts
15. Institute of Technology University of Moratuwa	16. University of Colombo
17. National Centre for Advance Studies in Humanitarian and Social Sciences	18. University of Colombo Institute for Agro Technology and Rural

19. National Institute of Library & Information Science	20. University of Colombo Institute of Computing
21. Open University of Sri Lanka	22. University of Jaffna
23. Post Graduate Institute of Pali & Buddhist Studies	24. University of Kelaniya
25. Post Graduate Institute of Agriculture	26. University of Moratuwa
27. Post Graduate Institute of Archeology	28. University of Peradeniya.
29. Post Graduate Institute of English	30. University of Sri Jayewardenepura
31. Post Graduate Institute of Medicine	32. University of Vocational Technology.
33. Post Graduate Institute of Science	34. Uva Wellassa University of Sri Lanka
35. Rajarata University of Sri Lanka	36. Vavuniya Campus
37. Sabaragamuwa University of Sri Lanka	38. Wayamba University of Sri Lanka

4.2 Sub Category B - Educational Institutions

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

5. Other State Owned Enterprises (SOEs)

5.1 Sub Category A - Other State Owned Enterprises

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

5.2 Sub Category B - Other State Owned Enterprises

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

5.3 Sub Category C – Other State Owned Enterprises

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

29. National Livestock Development Board (NLDB)	30. STC General Trading Company Ltd
31. Paddy Marketing Board	

5.4 Sub Category D - Other State Owned Enterprises

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

5.5 Sub Category E - Other State Owned Enterprises

1. Disaster Management Centre	2. Road Development Authority
3. Hadabima Authority of Sri Lanka	4. Samurdhi Authority of Sri Lanka
5. Land Survey Council	6. Social Security Board
7. Legal Aid Commission of Sri Lanka	8. Southern Development Authority of Sri Lanka
9. Mahaweli Authority of Sri Lanka	10. Sri Lanka Book Development Council
11. Marine Environment Protection Authority	12. Sri Lanka Freedom From Hunger Campaign Board
13. Mediation Board Commission	14. Sri Lanka Press Council
15. National Human Resource Development Council	16. State Resource Management Corporation Limited
17. National Science & Technology Council	18. Sugathadasa National Sports Services Complex Authority
19. National Science Foundation	20. Superior Courts Complex Board
21. National Secretariat for Disabilities	22. Thurusaviya Fund
23. National Secretariat for Elders	24. Tower Hall Theater Foundation
25. National Youth Service Council	26. Udarata Development Authority
27. National Institute of Social Development	28. Urban Settlement Development Authority
29. Sri Lanka Institute of Local Governance	30. Wijaya Kumaratunga Memorial Hospital
31. Ranaviruseva Authority	32. Express Way Transport Company (Pvt) Ltd

33. Rehabilitation of persons, Property & Industries Authority	34. Galle Heritage Foundation
35. Resettlement Authority	36. Any other SOE not listed under any other category

5.6 Sub Category F - Other State Owned Enterprises

1. Hotel Developers Lanka Ltd	2. The Associated Newspapers Corporation
3. Mihin Lanka (Pvt) Ltd	4. Thomas De Larue Lanka C & C Printing Ltd
5. Sri Lanka Insurance Corporation	6. West Coast Power (Pvt) Ltd
7. Sri Lanka Telecom PLC	8. Sri Lanka Airlines Ltd
9. Subsidiaries of SOEs	