

SEC Chairman welcomes 2021 Budget proposals

Thursday, 19 November 2020 03:17

Securities and Exchange Commission (SEC) Chairman Viraj Dayaratne PC yesterday commended the Budget proposals presented to Parliament on Tuesday by Prime Minister and Finance Minister Mahinda Rajapaksa.

Dayaratne said proposals include several measures to develop the capital market of Sri Lanka. As an incentive to promote and popularise Real Estate Investment Trusts (REITS) that was enabled by the SEC by way of its Rules published in the Gazette on 31 July, the proposals state that the investments in REITS are exempted from the Capital Gains Tax and the dividends are to be free from Income Tax.



SEC Chairman Vajira Dayaratne

Further, the Stamp Duty is to be reduced up to 0.75%. The stakeholders in the industry had perceived the Stamp Duty as an impediment to the setting up of REITS in Sri Lanka. “The SEC sees this proposal as a huge boost to setting up of REITS in the country,” Dayaratne said in a statement.

In addition, to promote new listings of local companies on the Colombo Stock Exchange (CSE), the Government has put forward certain key proposals, such as a 50% tax concession for the years 2021/2022 for companies that are listed before 31 December 2021. The number of companies listed on the CSE has not increased during the last several years and that was seen as a reason for the lack of liquidity and relatively small size of the market. “The new proposal will be an impetus for new listings,” the SEC Chief added.

He expressed his gratitude to the President, the Prime Minister, the State Minister for Money and Capital Markets, the Secretary to the President and the Secretary to the Treasury for having

taken into consideration the representations made by the SEC and for taking these initiatives which will help to develop and build a strong capital market, which could benefit both users and providers of capital. “These efforts will undoubtedly help deepen market activity and increase access to capital for Sri Lankan corporates,” SEC Chief Dayaratne added.

He also said the CSE has functioned uninterrupted and has performed exceptionally well with an 80% increase in total market turnover as against 2019 and the average daily turnover has doubled.

The SEC Chairman remarked: “The steps taken by the joint committee comprising representatives of the SEC and the CSE to digitalise the stock market in September 2020 has enabled the market to operate without interruption, despite the present situation in the country. I wish to express my sincere gratitude to all the stakeholders in the capital market industry, particularly the CSE and the stockbroking community for the unstinted support given to facilitate the end-to-end digitalisation of the market.”



SEC welcomes market-friendly budget proposals

19 November 2020 12:15 am -

- **Hails incentives announced for REITS; points out Stamp Duty reduction will be a major boost**
- **Points out 50% income tax discount announced will be an impetus for new listings**

Securities and Exchange Commission of Sri Lanka (SEC) Chairman Viraj Dayaratne P.C. commended the budget proposals presented to Parliament on Tuesday by Prime Minister Mahinda Rajapaksa, in his capacity as the Finance Minister.



Viraj Dayaratne

The proposals included several measures to develop the capital market of Sri Lanka. As an incentive to promote and popularise Real Estate Investment Trusts (REITs) that were enabled by the SEC by way of its Rules published in the gazette on July 31, 2020, the proposals stated that the investments in REITS are exempted from the Capital Gains Tax and the dividends are to be free from income tax.

Further, the Stamp Duty is to be reduced up to 0.75 percent, from 4 percent. The stakeholders in the industry had perceived the Stamp Duty as an impediment to the setting up of REITS in Sri Lanka and the SEC sees this proposal as a huge boost to setting up of REITS in the country. In addition, to promote new listings of local companies on the Colombo Stock Exchange (CSE), the government has put forward certain key proposals, such as a 50 percent tax concession for the years 2021/2022, for companies that are listed before December 31, 2021.

The number of companies listed on the CSE has not increased during the last several years and that was seen as a reason for the lack of liquidity and relatively small size of the market. The new proposal will be an impetus for new listings.

The SEC thanked the President, Prime Minister, Money and Capital Markets State Minister, Secretary to President and Secretary to Treasury, for having taken into consideration the representations made by the SEC and for taking these initiatives, which would help to develop and build a strong capital market, which could benefit both users and providers of capital.

“These efforts will undoubtedly help deepen market activity and increase access to capital for Sri Lankan corporates,” Dayaratne said.

The CSE has functioned uninterrupted and has performed exceptionally well with an 80 percent increase in total market turnover, as against 2019 and the average daily turnover has doubled. “The steps taken by the joint committee comprising of representatives of the SEC and CSE to digitalise the stock market in September 2020, have enabled the market to operate without interruption, despite the present situation in the country. I wish to express my sincere gratitude to all the stakeholders in the capital market industry, particularly the CSE and stockbroking community for the unstinted support given to facilitate the end-to-end digitalisation of the market,” Dayaratne added.



SEC Chairman welcomes budget proposals

Thursday, November 19, 2020 - 01:00

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The Chairman of the Securities and Exchange Commission of Sri Lanka (SEC), Viraj Dayaratne P.C. (Pictured) commended the Budget Proposals and said it includes several measures to develop the capital market.

As an incentive to promote and popularize Real Estate Investment Trusts (REITS) that was enabled by the SEC by way of its Rules published in the Gazette on July 31, 2020, the proposals state that the investments in REITS are exempted from the Capital Gains Tax and the Dividends are to be free from Income Tax. Further, the Stamp Duty is to be reduced up to 0.75%.

The stakeholders in the industry had perceived the Stamp Duty as an impediment to the setting up of REITS in Sri Lanka and the SEC sees this proposal as a huge boost to setting up of REITS in the country.

In addition, to promote new listings of local companies on the Colombo Stock Exchange (CSE), the Government has put forward certain key proposals such as a 50% tax concession for the years 2021/2022 for companies that are listed before 31 December 2021. The number of companies listed on the CSE has not increased during the last several years and that was seen as a reason for the lack of liquidity and relatively small size of the market. The new proposal will be an impetus for new listings. To page 14

The SEC wishes to thank President, the Prime Minister and other Ministers and officials for having taken into consideration the representations made by the SEC and for taking these initiatives which will help to develop and build a strong capital market which could benefit both users and providers of capital. These efforts will undoubtedly help deepen market activity and increase access to capital for Sri Lankan corporate.

The CSE has functioned uninterrupted and has performed exceptionally well with an 80% increase in total market turnover as against 2019 and the average daily turnover has doubled. "The steps taken by the joint committee comprising of representatives of the SEC and the CSE to digitalize the stock market in September 2020 has enabled the market to operate without interruption despite the present situation in the country."



SEC Chairman welcomes the Budget proposals

November, 18, 2020



The Chairman of the Securities and Exchange Commission of Sri Lanka (SEC), Viraj Dayaratne P.C. commended the Budget Proposals presented to Parliament on 17th November 2020, by the Hon. Prime Minister Mahinda Rajapaksa in his capacity as the Minister of Finance.

The Proposals include several measures to develop the capital market of Sri Lanka. As an incentive to promote and popularize Real Estate Investment Trusts (REITS) that was enabled by the SEC by way of its Rules published in the Gazette on 31st July 2020, the proposals state that the investments in REITS are exempted from the Capital Gains Tax and the Dividends are to be free from Income Tax. Further, the Stamp Duty is to be reduced upto 0.75%. The stakeholders in the industry had perceived the Stamp Duty as an impediment to the setting up of REITS in Sri Lanka and the SEC sees this proposal as a huge boost to setting up of REITS in the country.

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2021/2022 for companies that are listed before 31 December 2021. The number of companies listed on the CSE has not increased during the last several years and that was seen as a reason for the lack of liquidity and relatively small size of the market. The new proposal will be an impetus for new listings.

The SEC wishes to thank the President, the Prime Minister, the State Minister for Money and Capital Markets, the Secretary to the President and the Secretary to the Treasury for having taken into consideration the representations made by the SEC and for taking these initiatives which will help to develop and build a strong capital market which could benefit both users and providers of capital. These efforts will undoubtedly help deepen market activity and increase access to capital for Sri Lankan corporates.

The CSE has functioned uninterrupted and has performed exceptionally well with an 80% increase in total market turnover as against 2019 and the average daily turnover has doubled.

The SEC Chairman remarked that “The steps taken by the joint committee comprising of representatives of the SEC and the CSE to digitalize the stock market in September 2020 has enabled the market to operate without interruption despite the present situation in the country. I wish to express my sincere gratitude to all the stakeholders in the capital market industry, particularly the CSE and the stockbroking community for the unstinted support given to facilitate the end-to-end digitalization of the market”.

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