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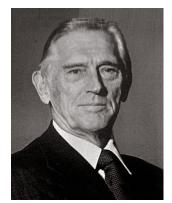
#### The Bank's History

Here, you can read short profiles of our **past Governors** and explore the history of the Central Bank of Sri Lanka and its **hear office**. You can also find our **historical photos** and view our **souvenir books**.

Upon gaining independence in 1948, the post-independence Government of Ceylon (as Sri Lanka was then known) established the Central Bank of Ceylon maintain an active monetary policy regime and a dynamic financial sector to support and promote economic growth

#### The Bank's Beginning

Prior to the establishment of the Central Bank, the Currency Board System set up under the Paper Currency Ordinance No.32 of 1884 functioned as the a Monetary Authority, though very narrow in its capacity. This system was deemed to be inadequate for a developing country upon gaining political indepen



Upon gaining independence in 1948, the post-independence Government of Ceylon established the Central Bank o sought technical expertise to establish a central bank from the United States of America (USA). In July 1948, Mr. Jo an American economist from the Federal Reserve of USA was appointed to carry out this task.

The Exter Report provides the rationale and the legal framework for the central bank. The Report was presente House of Representatives in November 1949. Along with this report, a draft bill with explanatory comments was p as part II of the Report. The Bill was passed by the House as the Monetary Law Act No. 58 of 1949 on 25 Novemb paving the way for the establishment of the Central Bank of Ceylon (as Sri Lanka was then known) and bringing a the Currency Board System.

Thus, the Central Bank of Ceylon was established by the Monetary Law Act (MLA) No.58 of 1949 and con operations on August 28, 1950 to maintain an active monetary policy regime and a dynamic financial sector to sup promote economic growth. It was renamed the Central Bank of Sri Lanka (CBSL) in 1985.

The Central Bank was given wide powers to administer and regulate the entire money, banking and credit syster country. The Central Bank was also given the sole right and authority to issue currency and it also became the cust

the international reserves of the country.

The objectives of the Central Bank as specified in the MLA in 1949 included the following;

- (a) The stabilisation of domestic monetary values (maintenance of price stability).
- (b) The preservation of the par value or the stability of the exchange rate of the Sri Lankan Rupee (maintenance of exchange rate stability).
- (c) The promotion and maintenance of a high level of production, employment and real income in Sri Lanka.
- (d) The encouragement and promotion of the full development of the productive resources of Sri Lanka

However, in keeping with the worldwide trends in central banking and the rapid changes in international financial markets, consequent to the economic liberalisation and the significant advancement in information technology, the Central Bank embarked on a modernisation programme in 2000 and the objectives adjusted accordingly in 2002, bringing them down to two core objectives:

- (1) The maintaining of economic and price stability
- (2) The maintaining of financial system stability

Except for the above amendment in 2002, which simplified the Central Bank's objectives, the MLA has not undergone a thorough review and revision in the Therefore, with the intention to review a number of provisions in the MLA in line with global best practices, as a result of economic developments and the evolution of central banking, CBA was enacted in 2023. CBA has special provisions to improve the central bank's independence, to increase its openness accountability, and to reinforce the monetary policy framework to maintain continued price stability in Sri Lanka.

The objectives of the CBSL were also changed accordingly.

- (1) Primary Objective: Achieve and maintain domestic price stability
- (2) Other Objective: Secure the Financial system stability



**Ajith Nivard Cabraal** 

2021 - 2022



Deshamanya Prof. W D Lakshman

2019 - 2021



Dr. Indrajith Coomaraswamy

2016 - 2019



Arjuna Mahendran

2015 - 2016



**Ajith Nivard Cabraal** 

2006 - 2015



**Deshamanya Sunil Mendis** 

2004 - 2006



A S Jayawardena

1995 - 2004



H B Dissanayaka

1992 - 1995



Dr. H N S Karunatillake

1988 - 1992







1979 - 1988

Dr. W Rasaputram

D. W. Rajapathirana

1959 - 1967



**H E Tennekoon** 

1971 - 1979

Sir Arthur Ranasinghe

1954 - 1959



W Tennekoon

N U Jayawardena

1953 - 1954



John Exter

1950 - 1953

(Founder Governor)

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