

27, June 2011

Public Enterprises Circular No.: PED 58 (1)

All Secretaries to the Ministries
Chairmen of Commercial Corporations, Statutory Boards and
State Owned Companies including State Banks

Categorization of State Owned Enterprises and Payment of Allowances to Board of Directors

Your attention is drawn to Public Enterprises Circular No. PED 58 dated 29th April 2011. In order to give more clarity on the issues raised by several SOEs, the above circular is amended to include the following:

A person who holds the post of Chairman / Executive Director (ED) or Working Director (WD) in more than one State Enterprise on a full time basis may not draw the full allowance from all the entities. Instead may draw the full allowance from one entity and thereafter 50% of the due allowance from one another entity and 25% of the due allowance from other entities.

A person who holds the position of the Chairman / ED or WD in an entity on part time basis may draw only 25% of the due allowances.

A person permanently employed (not on secondment basis) in government or SOE, drawing salary and other benefits entitled for that position and has been appointed as a Chairman / ED or WD of another SOE

- in full time basis may be eligible to draw only 50% of the due allowance from one SOE and 25% of the due allowance from any other SOE.
- in part time basis may be eligible to draw only 25% of the due allowance from the entity.

Any Chairman / ED or WD appointed as full or part time basis may not simultaneously hold any permanent carder positions of the SOE. If the Chairman / ED or WD covers duties of any such position may not be compensated nor draw any benefits attached to such position.

Sitting allowance specified in PED 58 is applicable only to the Non-Executive board members and Observers for attending Board Meetings, Audit and Management Committee Meetings and

Mandatory Member Committees specified by regulatory authorities. Employees participate in any such meetings are not entitled for the sitting allowances.

Following SOEs are re-classified a follows:

Category B- State Owned Commercial Enterprises

West Coast (Pvt) Ltd

Category C- State Owned Commercial Enterprises

Sri Lanka Tourism Promotion Bureau

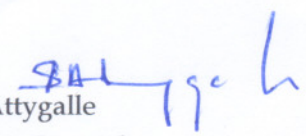
State Owned Non-Commercial Enterprises-Budgetary funded

Sri Lanka Accounting & Auditing Standards Monitoring Board

Thurusiviya Fund

Urban Settlement Development Authority

SOEs which are not classified under the circular number PED 58 are kindly requested to inform the Department of Public Enterprises. The request should be made along with the annual reports of the proceeding three years and the details of the approved carder.


S. R. Attygalle
Director General

cc: 1. Secretary to the President
2. Auditor General