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அரசு கணக்குகள் திணைக்களம்
Department of State Accounts

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27.03.2024

State Accounts Guideline No: 04/2024

All Secretaries of Ministries

All Heads of Departments

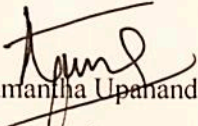
All District Secretaries

Capitalization of Borrowing Cost

Directions had been provided by the Department of State Accounts vide Circular No 230/2013 dated 29.11.2013 for capitalization of borrowing costs incurred in connection with the acquisition, construction, or production of qualifying assets under local and foreign borrowing in line with the Sri Lanka Public Sector Accounting Standard No. 4 anticipating the adoption of Full Accrual based Accounting method from the year 2028 onwards.

However, the above plan has been reconsidered to extend the period of adopting full accrual-based accounting, due to the current economic status of the country. This transition process from the modified cash accounting method, which is being currently followed, to a full accrual basis should go through many stages to make it a smooth process. For the transition, key milestones shall be completed internally to achieve the transition smoothly.

Until such time, the implementation of the above-mentioned circular for the Capitalization of Borrowing Costs is temporarily suspended until further notice.


W.A. Santanaha Upananda
Director General

Copies:

1. Auditor General, National Audit Office
2. Director General, Department of Treasury Operations
3. Director General, Department of External Resources
4. Director General, Department of National Budget