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நிதி, பொருளாதார உறுதிப்பாடு மற்றும் தேசியக் கொள்கைகள் அமைச்சு
MINISTRY OF FINANCE, ECONOMIC STABILIZATION AND NATIONAL POLICIES

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திகதி } 28 .02.2024
Date }

Public Enterprises Circular No. PED 02/2024

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

Reviewing the Collective Agreement Mechanism for State-Owned Enterprises

Having considered the report of the Committee appointed as per the decision of the Cabinet of Ministers to review the existing signed collective agreements of State- Owned Enterprises (SoEs), the Cabinet of Ministers has given approval to renew the existing collective agreements for a period of one year until the Committee recommendations are implemented, subject to following conditions.

- Collective agreements should have clearly defined Key Performance Indicators (KPIs) and need to link the variable component of the remuneration to such KPIs.
- SoEs should establish an entity level mechanism to review the performance of the employees as against the set KPIs.
- SOEs should refrain from paying Advance Personal Income Tax on behalf of their employees.

02. As such, SoEs are not allowed to enter into new collective agreements other than renewing the existing collective agreements for a period of one year.

03. The collective agreements prepared incorporating the KPIs should be submitted to the Department of Public Enterprises for obtaining the approval of the Hon. Minister of Finance, Economic Stabilization and National Policies.

04. However, the provisions of this circular are not applicable for collective agreements signed by the Plantation sector.

05. Board of Directors of all SoEs are responsible to follow these directions strictly, with immediate effect.

06. Public Enterprises Circular No. PED 03/2023 dated 17.11.2023 is hereby revoked.

07. Should you need further clarification on this matter, please contact the Additional Director General (Policy), Department of Public Enterprises, via 011 2484627.



K.M. Mahinda Siriwardana

Secretary to the Treasury

- Copies:
1. Secretary to the President
 2. Secretary to the Prime Minister
 3. Secretary to the Cabinet of Ministers
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