Annual Action Plan 2025

Department of Fiscal Policy
Ministry of Finance, Planning & Economic Development

Effective from January 01 to December 31, 2025

Contents

1.0 Framework

1.1 Introduction

The main responsibilities of the Department of Fiscal Policy are the formulation and implementation of fiscal policy within the broad developmental framework of the Government in consultation with relevant stakeholders including various Government institutions, line ministries, other agencies and private sector to achieve desired socio economic objectives of the country.

The Department is also responsible for the taxation policy of the country while covering the areas of analyzing the revenue, expenditure and financing activities and the domestic and global macroeconomic development in order to facilitate appropriate adjustment in the country's fiscal policy to achieve desired broad-based outcomes.

The Department of Fiscal Policy has identified the importance of strengthening its activities further to provide necessary impetus towards undertaking more analyses and research activities with the established units of the Macro Fiscal unit and tax policy analysis unit of the department to facilitate the General Treasury's transformation for the higher economic growth trajectory.

1.2 Vision

Establishment of a sustainable fiscal policy framework

1.3 Mission

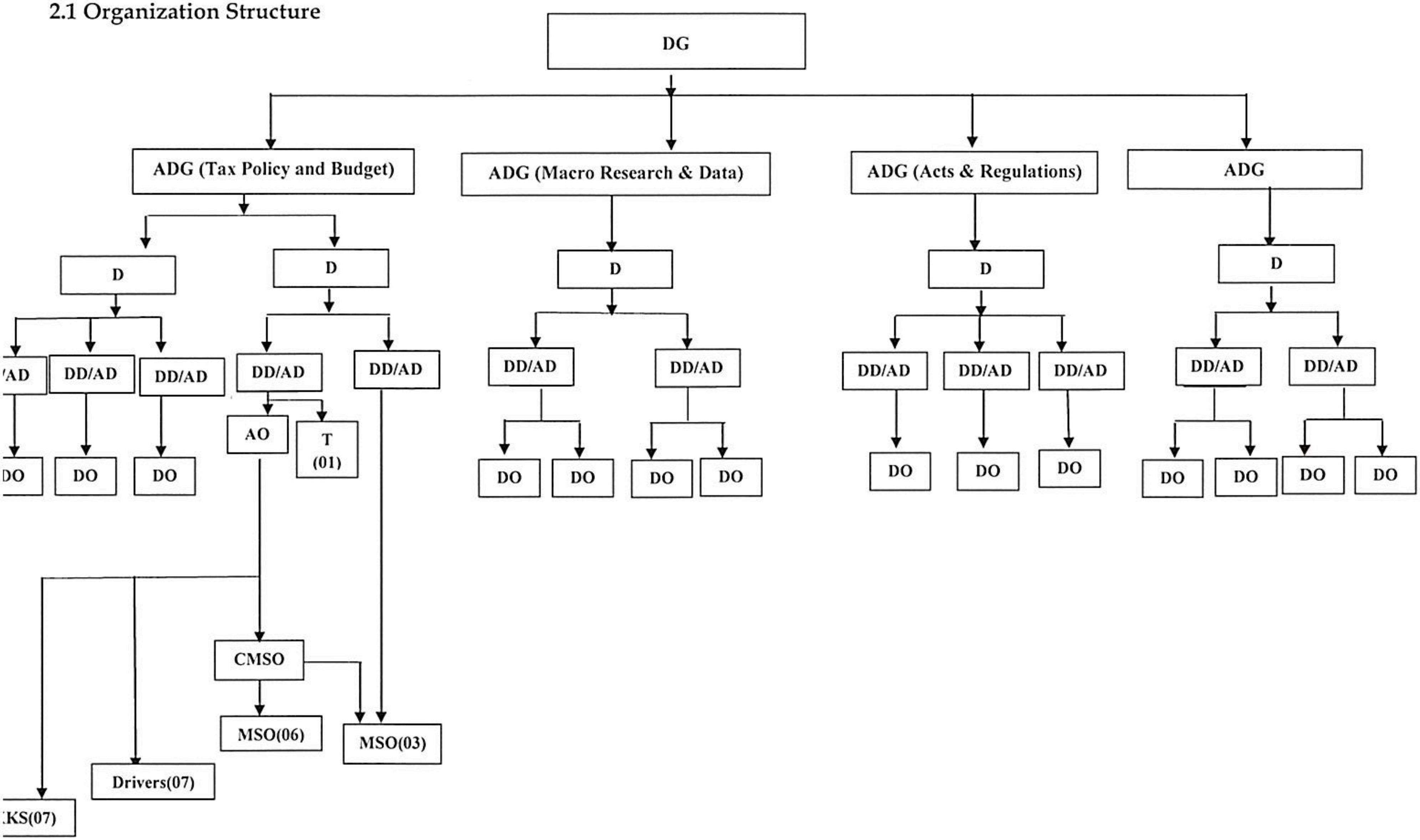
Formulation and implementation of fiscal policy within the broad development framework of the Government

1.4 Scope and Functions

- Formulation and implementation of fiscal policy and medium-term fiscal strategy by coordinating public, private and international agencies.
- Formulation of tax policy and related statues other than the customs duty and the special commodity levy.
- Management and review of fiscal out-turn and fiscal performance including government revenue and receipts while maintaining a proper co-ordination with all agencies engaged in revenue collection.
- Handing the work related to the amendments to the legislations as per the policy decisions taken by the government from time to time.
- Implementation of requirements under Public Financial Management Act No.44 of 2024, including reporting.
- Undertaking analysis/research on various fiscal and macroeconomic issues.

2.0 Functions of Administration Division and Finance Division

2.1 Organization Structure



2.2 Approved and Existing Cadre as at 01 December 2024

	Service	Grade/ Class	Salary Code	DMS Approved Cadre	Existing Cadre	Vacancies
Senior Level						
Director General	SLAS	Special	SL3	01	01*	-
Addl. Director General	SLAS	Special	SL3	01	01	-
Addl. Director General	SLPS	Special	SL3	01	-	01
Addl. Director General	SLAcS	Special	SL3	01	-	01
Addl. Director General	OPEN	Special	SL3	01	01	-
Director	SLAS	1	SL1	02	01	01
Director	SLPS	1	SL1	02	02**	-
Director	SLAcS	1	SL1	01	-	01
Dy. Director/ Asst. Director	SLAS	11/111	SL1	06	05	01
Dy. Director/ Asst. Director	SLPS	11/111	SL1	04	04	-
Dy. Director/ Asst. Director	SLAcS	11/111	SL1	01	-	01
Accountant	SLAcS	11/111	SL1	01	-	01
Tertiary Level						
Administrative Officer	MSO	Supra	MN7	01	01	-
Translator (Eng/Tam)	TS	1	MN6	01	-	01
Secondary Level						
Development Officer	DOS	111/11/1	MN4	14	12	02
Management Services Officer	MSO	111/11/1	MN2	10	09	01
Primary Level						
Driver	DS	111/11/1/Sp	PL3	07	06	01
K.K.S	OES	111/11/1/Sp	PL1	07	04	03
Total				**62**	**47**	**15**

* SLPS Class I

** SLPS Class II

HEAD - 238 Department of Fiscal Policy
1 - Operational Activities
01 - Fiscal Management

Object	Item	Finance Code	Category/Object/Item Description	2023	2024 Revised Budget	2025 Estimate	2026 Projections	2027 Projections	Rs ' 2024 - 2027 Total
			Recurrent Expenditure	72,957,619	94,600,000	140,740,000	149,360,000	155,064,000	539,964,000
			Personal Emoluments	43,342,981	53,800,000	71,000,000	73,200,000	74,750,000	272,750,000
001			Salaries and Wages	26,094,640	31,500,000	35,000,000	36,000,000	37,000,000	139,500,000
002			Overtime and Holiday Payments	1,191,631	1,000,000	2,000,000	2,200,000	2,250,000	7,450,000
003			Other Allowances	16,056,710	21,300,000	34,000,000	35,000,000	35,500,000	125,800,000
			Travelling Expenses	2,731,794	9,400,000	9,500,000	10,550,000	10,700,000	40,150,000
101			Domestic	266,030	400,000	500,000	550,000	600,000	2,050,000
102			Foreign	2,465,764	9,000,000	9,000,000	10,000,000	10,100,000	38,100,000
			Supplies	10,078,639	4,000,000	12,040,000	13,260,000	13,964,000	43,264,000
201			Stationery and Office Requisites	3,713,049	4,000,000	4,000,000	5,000,000	5,500,000	18,500,000
202			Fuel	6,329,590	-	8,000,000	8,200,000	8,400,000	24,600,000
	2		*Fuel Allowance*	-	-	6,500,000	6,600,000	6,700,000	19,800,000
	009		*Fuel for Pool Vehicles*	-	-	1,500,000	1,600,000	1,700,000	4,800,000
03			Diets and Uniforms	36,000	-	40,000	60,000	64,000	164,000
	002		*Uniforms*	-	-	40,000	60,000	64,000	164,000
			Maintenance Expenditure	2,383,404	3,300,000	14,200,000	16,600,000	19,100,000	53,200,000
01			Vehicles	2,138,192	2,300,000	3,300,000	3,550,000	3,900,000	13,050,000
	001		*Vehicle Repairs*	-	-	2,500,000	2,700,000	3,000,000	8,200,000
02			Plant and Machinery	245,212	500,000	700,000	800,000	900,000	2,900,000
03			Buildings and Structures	-	500,000	200,000	250,000	300,000	1,250,000
04			Software Maintenance	-	-	10,000,000	12,000,000	14,000,000	36,000,000
			Services	13,972,687	23,300,000	35,500,000	35,000,000	35,750,000	127,350,000
01			Transport	3,306,581	4,300,000	4,000,000	4,500,000	4,700,000	17,500,000
02			Postal and Communication	2,074,411	2,000,000	2,200,000	2,300,000	2,350,000	8,850,000
05			Cleaning and Janitorial Services	-	-	1,300,000	1,400,000	1,450,000	4,150,000
08			Lease Rental for Vehicles procured Under Operational Leasing	2,770,530	7,000,000	13,000,000	13,500,000	13,700,000	47,200,000
09			Other	5,821,165	10,000,000	12,800,000	13,300,000	13,550,000	49,650,000
	7		*Other Services*	2,196,292	-		-	-	
	024		*Annual Report and Budget Printing*	3,624,873	10,000,000	10,000,000	10,100,000	10,200,000	40,300,000
	138		*Machinery and Office Equipment Service Agreements*	-	-	500,000	600,000	650,000	1,750,000
	139		*Vehicle Insurance*	-	-	300,000	400,000	450,000	1,150,000
	140		*Miscellaneous Services Expenditure*	-	-	2,000,000	2,200,000	2,250,000	6,450,000
			Transfers	448,114	1,000,000	700,000	750,000	800,000	3,250,000
06			Property Loan Interest to Public Servants	448,114	1,000,000	700,000	750,000	800,000	3,250,000
			Capital Expenditure	186,000	1,400,000	4,000,000	4,400,000	4,750,000	14,550,000
			Acquisition of Capital Assets	186,000	600,000	3,000,000	3,200,000	3,500,000	10,300,000
02			Furniture and Office Equipment	186,000	600,000	3,000,000	3,200,000	3,500,000	10,300,000
			Capacity Building	-	800,000	1,000,000	1,200,000	1,250,000	4,250,000
01			Staff Training	-	800,000	1,000,000	1,200,000	1,250,000	4,250,000
			Total Expenditure	73,143,619	96,200,000	144,740,000	153,760,000	159,814,000	554,514,000
			Financing	73,143,619	96,200,000	144,740,000	153,760,000	159,814,000	554,514,000
			Domestic	73,143,619	96,200,000	144,740,000	153,760,000	159,814,000	554,514,000
			Domestic Funds	73,143,619	96,200,000	144,740,000	153,760,000	159,814,000	554,514,000

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දෙපාර්තමේන්තුව - රාජ්‍ය මූල්‍ය ප්‍රතිපත්ති දෙපාර්තමේන්තුව

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	වියදම් ආයිතමයන් (වැය විෂය සංකේත අංක සහිතව)	ජන.	පෙබ.	මාර්.	පළමු කාර්තුවේ එකතුව	අප්‍රේ.	මැයි.	ජුනි.	දෙවන කාර්තුවේ එකතුව	ජූලි	අගෝ.	සැප්.	තුන්වන කාර්තුවේ එකතුව	ඔක්.	නොවැ.	දෙසැ.	හතරවන කාර්තුවේ එකතුව	මුළු එකතුව
I	පුද්ගල පඩිනඩි (1001 සහ 1003)	5,750	5,750	5,750	17,250	5,750	5,750	5,750	17,250	5,750	5,750	5,750	17,250	5,750	5,750	5,750	17,250	69,000
	වැටුප් සමඟ ගෙවන වෙනත් දීමනා	975	975	975	2,925	975	975	975	2,925	975	975	975	2925	975	975	975	2925	11,700
II	අතිකාල හා නිවාඩු දින වැටුප් (1002)	130	135	135	400	160	170	170	500	160	170	170	500	200	200	200	600	2,000
III	අනෙකුත් සියලුම පුනරාවර්තන වියදම්	4,700	4,800	4,800	14,300	4,900	4,800	4,900	14,600	4,800	4,900	4,900	14,600	4800	4,900	4,840	14,540	58,,040
	පුනරාවර්තන එකතුව	11,555	11,660	11,660	34,875	11,785	11,695	11,795	35,275	11,685	11,795	11,795	35,275	11,725	11,825	11,765	35,315	140,740
IV	ප්‍රතිපූර්ණය කළ හැකි විදේශාධාර																	
V	අනෙකුත් සියළුම ප්‍රාග්ධන වැය සඳහා	300	300	350	950	350	300	250	900	300	350	300	950	350	350	500	1200	4000
VI	ර.නි.ණය සහ අත්තිකාරම්	350	300	250	900	300	300	200	800	300	340	340	980	350	320	450	1,120	3,800
VII	තැන්පත් ගිණුම																	
VIII	වෙනත් අත්තිකාරම් ගිණුම																	
	මුළු එකතුව	12,205	12,260	12,260	36,725	12,435	12,295	12,245	36,975	12,285	12,485	12,435	37,205	12,425	12,495	12,715	37,635	148,540

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සකස් කලේ :- Komani Perera

පරීක්ෂා කලේ :- [illegible]

~~ප්‍රධාන මූල්‍ය නිලධාරී~~/ගණකාධිකාරී/~~අධ්‍යක්ෂ (මුදල්)~~ අත්සන D.A. Samantha Dolewaththa

නම - Accountant (Acting)

Department of Fiscal Policy

නිල මුද්‍රාව

* මෙම තීරුවේ වටිනාකම් ආකෘති අංක TOD/IMP/1 හි 11 වන තීරුවේ සඳහන් ... දළ වියදම් හා සමාන විය යුතුය

0 Activity Plan – 2025

No	Major Functions and Activities	Duration (Month)													
		J	F	M	A	M	J	J	A	S	O	N	D		
unction 01															
	Formulation and Implementation of the Fiscal Policy and the Medium-term Fiscal Strategy														
ey Activities															
i	Monitor the implementation of policies and performance of revenue and expenditure													1. Budget Outturn 2. Mid Term Fiscal Framework (MTFE)	1. Assessment of fiscal discipline 2. Early warning signals 3. Implementation forecasting
ii	Review macro fiscal condition of the country														
iii	Collaborate with the relevant agencies which have an impact on economic policy direction														
iv	Preparation of budget outturn monthly, quarterly and yearly and preparation of MTFF														
unction 02															
	Review the Present Fiscal Policy Stance and Propose Appropriate Adjustments													1. Fiscal gap Analysis 2. Fiscal Policy Review Report	1. Improved Fiscal sustainability 2. Supports Fiscal consolidated goals under IMF programs
unction 03															
	Macro-Fiscal Research														
ey Activities															
i	Provide inputs required for policy formulation having engaged in														

	analysis related to key issues of the economy														
ii	Analysis of revenue, expenditure and financing, revenue forecasting, medium term fiscal framework													1. Weekly Economic Report 2. Fiscal Review Report	1. Facilitates rapid response to economic fluctuations (e.g. inflationary spikes, currency volatility) 2. Enhances inter-agency coordination 3. Supports evidence-based fiscal planning and policy adjustment
iii	Set fiscal policy targets and identify fiscal risks														
iv	Analysis of variances and provide reasons for deviations, corrective policies, fiscal rules														
v	Analyze the economic and social impact of fiscal policies and prepare of macroeconomic framework														
vi	Analyze data and write brief/concept papers/analytical papers														
vii	Examine the effects of existing and proposed revenue generating policies														
viii	Examine and analyze sectorial budgets, financial structures, expenditure trends and budget estimates and analyze alternative budget allocations														
ix	Analyze debt policy - debt management structure, debt statistics, debt sustainability, cost and risk management framework for the government's debt portfolio and project debt and debt service payments														

x	Prepare Weekly Economic Report & Fiscal Review Report														
unction 04															
	Preparation of Revenue Estimate for 2024 - 2026													Revenue Estimates	1. Supports Medium – Term Fiscal Framework (MTFF) 2. Improves Budget Planning And Resources Allocation
ey Activities															
i	Request estimates from each revenue agency														
ii	Evaluate revenue estimates														
iii	Finalize the estimates														
unction 05															
	Fiscal Policy Review														
ey Activities															
i	Attend the revenue performance and cash flow review meeting every month under the chairmanship of the Secretary to the Treasury													1. Meeting held 2. Letters/ instructions issued	1. Improved Fiscal Discipline 2. Identification of Fiscal Policy
ii	Provide required policy inputs to revenue collecting agencies such as IRD, SL Customs and Excise Department														
unction 06															
	Monitor the Revenue Performance of 2025														
ey Activities															
i	Monitor performance of revenue estimates of 2025													1. Analyses of Default Taxes	

ii	Monitor progress of policy and administrative changes introduced in the Budget 2025													2. Policy recommendations	1. Supports Medium – Term Fiscal Framework (MTFF) 2. Enables Early detections of Revenue Risks
iii	Revise tax policies as required														
iv	Analyze default taxes and preparation of policy recommendation in order to minimize such defaults														
Function 07															
	Preparation of the Budget Speech 2026														
Key Activities															
i	Mold necessary and requisite policy directions into the budgetary Framework													1. Draft Budget speech Document 2. Presentation of Fiscal Targets 3. Tax Policy Announcements	1. Public Communication of Government Policy 2. Guidance for Line Ministries and Agencies 3. Improved Public Trust and Transparency 4. Investor and Donor confidence
ii	Request for budget proposals from general public, private sector and government agencies														
iii	Summarize budget proposals received by general public, private sector and government agencies														
Iv	Monitor the implementation of revenue Proposals in the Budget 2024														
v	Analyze revenue proposals of the budget 2026														
vI	Prepare and publish Gazette Notifications relating to the revenue proposals														
Function 08															

	Implementation and monitoring of the Revenue Proposals of the Budget 2024 & Budget 2025														
ey Activities															
i	Draft related Acts and make amendments to the relevant Acts													1. Revenue Implementation Plan 2. Establishment of a system (such as review meetings) to monitor implementation progress and revenue collection	1. Effective Revenue Mobilization 2. Operationalization of Fiscal Policy 3. Support to macroeconomic stability
ii	Obtain certifications from the legal Draftsman and Attorney General														
iii	Obtain Cabinet approvals														
iv	Publish Acts and Bills														
v	Submit relevant Act and Bills to Parliament for approval														
unction 09															
	Granting Various Tax Exemptions and Deferments in Terms of the Applicable Laws														
ey Activities															
i	Make necessary revisions on taxes													1. Issuance of gazette notifications, circulars issued under relevant tax laws. 2. Database/ Registry of Beneficiaries	1. Fiscal risk Identification 2. Attracts both domestics and foreign investors by offering tax incentives
ii	Attend the representations made by public, government organizations and international organizations on tax matters.														
unction 10															
	Administrative and Financial Matters of the Department														
i	Establishment of Tax Policy Analysis Unit													1. Institutional setup 2. Recruitment & Staffing	1. Institutional Capacity 2. Fiscal Governance

ii	Approval from MSD & Recruitment Cadre													3. Procurement/development of analytical software/tools (e.g. Stata, R. Excel modeling temolates)	3. Revenue Optimization
iii	Capacity Building														
Function 11															
	Preparation of Reports Under the Public Financial Management Act, No.44 of 2024 and Table the reports in the Parliament														
Key Activities															
i	Annual report													1. PFM-compliant Fiscal Reports (Fiscal Strategy Statement (FSS), Mid-Year Fiscal Position Report) 2. Parliamentary Submissions 3. Public Disclosure	1. Compliance with Legal Requirements 2. Strengthened Fiscal Transparency and
ii	Mid-year Fiscal Position Report														
iii	Budget Economic and Fiscal Position Report														
iv	Pre-election Budgetary Position report*														
v	Fiscal Strategy Statement report														
vi	Records on Right to Information														
Function 12															
	Parliamentary/CM Matters														
Key Activities															
i	Prepare of Cabinet Memoranda and FPD observations and comments													1. Cabinet Memoranda prepared 2. Providing data, analysis and reports to Public Finance committee (PFC) & COPA 3. Observations/answers sent 4. Meetings attend	1. Facilitated Policy Decision making 2. Increased Transparency and Accountability
ii	Prepare observations for Parliament Questions														
iii	Participate at Parliamentary Committee Meetings														

Name of the Institute :- Department of Fiscal Policy

Mission :- Formulation and implementation of fiscal policy within the broad development framework of the Government.

Objective :-

- Formulation and implementation of fiscal policy and Medium Term Fiscal strategy by coordinating public, private and international agencies
- Formulation of Tax policy and related statutes other than the Customs Duty and the Special Commodity Levy
- Management and review of Fiscal Out - tern and Fiscal performance including Government Revenue and receipts while maintaining a proper co-ordination with all agencies engaged in revenue collection.
- Handing the work related to the amendments to the legislations as per the policy decisions taken by the government from time to time
- Implementation of requirements under Public Finance Management Act no. 44 of 2024, including reporting
- Undertaking analysis/research on various fiscal and macroeconomic issues

1	2	3	4				5	6
Serial Number	Activities for Audit Identified by Internal Audit on Risk evaluation*	Risk Assessment (Reference number)	Period for perform internal audit work				Number of Audit Reports expected to be submitted	Manpower that can be used for internal audit (Number of days)
			1 Quarter	2 Quarter	3 Quarter	4 Quarter		
1	Preparation of Preliminary Report		√				1	2
2	Chief Internal Auditors Quarterly Assessment Report		√	√	√	√	4	10
3	Conduct the Audit Management Committee (AMC) meeting		√	√	√	√	4	8
4	Fiscal Policy Review	5			$\boxed{\surd}$	√	1	20
5	Granting Various Tax Exemptions and Deferments in Terms of the Applicable Laws	9		$\boxed{\surd}$	√		1	20
6	Special Assignments							

and 2024

Year	Requested by the appellant	Requested by the Commissioner General of Inland Revenue	Total
2022	40	07	47
2023	117	35	152
2024	199	98	297
Source: Report of Case Stated TAC 2025 June			