

මුදල්, ආර්ථික ස්ථායිකරණ සහ ජාතික පුතිපත්ති අමාතාහාංශය நிதி, பொருளாதார உறுதிப்பாடு மற்றும் தேசியக் கொள்கைகள் அமைச்சு MINISTRY OF FINANCE, ECONOMIC STABILIZATION AND NATIONAL POLICIES

මහලේකම් කාර්යාලය, කොළඹ 01, ශීූ ලංකාව		செயலகம், கொழும்பு 01, இலங்கை.		The Secretariat, Colombo 01, Sri Lanka.	
කාර්යාලය அலுவலகம் Office	011-2484500 011-2484600 011-2484700	ෆැක්ස් தொலைநகல் Fax	011-2449823	වෙබ් අඩවිය இணையதளம் Website	www.treasury.gov.lk
මගේ අංකය எனது இல My No	PFD/PMD/CM/2023/02	ඔබේ අංකය உமது இல Your No	}	දිනය திகதி Date	0 . 03.2024

Public Finance Circular Letter No. 01/2024

All Secretaries to Ministries

Chief Secretaries of Provincial Councils

Heads of Departments and District Secretaries

Heads of Local Government Authorities

Chairmen of Government Corporations, Statutory Bodies and Government Owned Companies

Amendments of the Procurement Guidelines

Your kind attention is drawn to the following Public Finance Circulars.

- a) Circular No. 3/2020 dated 09.10.2020
- b) Circular No. 3/2020 (i) dated 11.01.2021
- c) Circular No. 4/2020 dated 09.11.2020
- d) Circular No. 4/2016 (i) dated 30.09.2016
- e) Circular No. 4/2016 (ii) dated 08.05.2019
- f) Circular No. 4/2016 (iii) dated 18.02.2021

02. Since the issuance of foregoing circulars, it is observed that the intended purpose of those circulars of supporting certain identified domestic manufacturing sectors have failed to deliver the desired results and has led to certain market failures. As a result, prevalence of the said circulars has adversely affected the majority of the suppliers of the goods and services. In particular, the broader participation of bidders has been restricted. In view of the situation, the approval has been granted by the Cabinet of Ministers vide its decision dated 05.02.2024 to revoke the following circulars;

- I. Public Finance Circular No. 3/2020 and 3/2020(i) on the clustering of grades and the preference given to Domestic Firms offering local value addition in the Software and Hardware Industry and the Furniture & Allied Products Industry.
- II. Public Finance Circular No.4/2020 on the preference granted to State-Owned Enterprises (SOEs).
- 03. Accordingly, you are kindly informed that the Public Finance Circular Nos. 3/2020, 3/2020 (i) and 4/2020 are hereby revoked with immediate effect.
- 04. In relation to the procurement of works from regional contractors using domestic funds not exceeding Rs.50 million, the provisions stated in Public Finance Circular Nos. 4/2016 (i), 4/2016 (ii), and 4/2016 (iii) shall remain applicable.
- 05. Further, preference given to the local bidders who participate in supply contracts under domestic funds through the provisions 7.9.4, 7.9.5 and 7.9.6 of the Procurement Guidelines and subsequently issued circulars will remain valid.
- 06. For any further clarification, you may contact the Procurement Division of the Public Finance Department on 011 2484987 or 0112 484805.

E A Rathnaseela Director General of Public Finance Sgd: K M M Siriwardana Secretary to the Treasury

Copies: 1. Secretary to the President

- 2. Secretary to the Prime Minister
- 3. Secretary to the Cabinet of Ministers
- 4. Auditor General
- 5. Chairperson, National Procurement Commission